

PEOPLE IN ACTION


Report of the National Advisory Council
on Voluntary Action to the Government
of Canada

Government
Publications

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Cat. No. 52-561-075

ISBN 0-662-01825-7

CA1
SS700
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PEOPLE IN ACTION

Report of the National Advisory Council
on Voluntary Action
to the Government of Canada

Presented to

the Honourable John Roberts
Secretary of State,

(Dept of the
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LE mini. pub
3

September 1977

On peut également obtenir la présente publication en français



Design: Peggy Steele Kitcher

NATIONAL ADVISORY COUNCIL ON VOLUNTARY ACTION

To the Honourable John Roberts, Secretary of State

On behalf of the members of the National Advisory Council on Voluntary Action, I am pleased to transmit the Council's final report.

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Ottawa, September , 1977

Acknowledgements

The Council would not have been able to accomplish its mandate without the contributions of numerous volunteers and representatives of voluntary associations. In effect, their generosity of time and effort enabled the Council to carry out its program. The Council would like to mention the efforts of:

- * Those people in various communities who helped the Council draw up lists of persons to be consulted, contacted people, suggested questions applicable to the community and helped organize the meetings;
- * Those who took part in the Council consultations and often put their views in writing afterwards;
- * The many who responded to the Council's written appeals for advice and suggestions and those who wrote on their own initiative;
- * The many government officials at various levels who collaborated with the Council throughout its mandate; and
- * The hundreds of people who were phoned or written to for information, documentation, opinions or advice.

These were the people who really communicated to the Council the immense commitment, vitality and diversity of voluntary action in Canada.

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PREFACE

Volunteers and voluntary activity have, throughout Canadian history, been lauded, derided, stereotyped, but always noticed. However, there has been very little understanding of the concept and philosophy of voluntary activity. The task of the Council was to analyze this human resource in all its facets.

What makes individuals, or groups of individuals, contribute to the betterment of themselves, their communities, or their country? We must understand how, when and why they make these contributions if we are ever to understand and support this dynamic and continually changing human activity. Government cannot hope to create successful and effective policies and programs if it does not understand contemporary manifestations of voluntary activity.

In addition, neither government nor the Canadian people should continue to take voluntary action for granted. This report demonstrates the need for a greater awareness of, and increased commitment to, voluntary activity by both government and the general public. This need should not be ignored because voluntary activity is a fundamental expression of the rights of Canadians to determine their own destiny. Voluntary action is "people in action".

In late 1974, 15 persons from various regions, cultures, backgrounds and interests, representing a particular type of Canadian -- the kind who volunteers -- were brought together under the guise of "voluntarism". They were given two years to study a subject as broad or as narrow as Canadian society. The formal announcement that a "National Advisory Council on Voluntarism" had been created occurred in an address by former Secretary of State Hugh Faulkner to the first

conference of National Voluntary Organizations in Ottawa during November 1974. He stated that for the next two years the Council would study the essential issues and problems affecting all federal departments and agencies in their relations with the "voluntary sector". The Minister stated that the first task of the Council would likely be to agree on a workable definition of the "voluntary sector".

Ultimately, the Council would be expected to report on the current state of the "voluntary sector", its problems and potential, and to recommend an appropriate philosophy for voluntary action in the future. More concretely, the Minister said he wanted the Council to suggest ways in which the Federal Government and the "voluntary sector" could co-operate to improve the quality of Canadian life. Four areas needing in-depth investigation were identified by Mr. Faulkner. These were: the problem of recruiting volunteers and members; the financing of voluntary associations; government use of voluntary resources; and, government support to groups that oppose its policies.

In his closing remarks, Mr. Faulkner said he hoped for "...tough, uncompromising advice from the Council." He was also careful to emphasize that the Council would not interfere with or replace existing relationships between voluntary associations and government departments. In short, the Council was intended to supplement -- not replace -- such relationships.

As is obvious, 15 persons coming together on any task require time to become a cohesive unit. Certainly, the Council was no exception. It became apparent immediately that the common denominator, "voluntarism", was not a sufficiently binding force to make things happen at will. In fact, the Minister's expectations for the Council caused difficulty because they were phrased so generally. Each member had his or her own view on the meaning of voluntarism. Consequently, the Council

struggled with its own diversity for over a year until its realization that this very diversity was a source of strength. After all, voluntary action is very diverse and reflects a Canadian reality characterized by differences in regional outlook, culture, language, aspiration, and along any other dimension one could mention.

The Council was given a small secretariat within the Department of the Secretary of State to assist in its endeavours. In addition, the Council was told it would have a high degree of autonomy. The Council at first assumed that "autonomy" meant it had complete authority over its problems, staff and budget. This was not to be the case, however. Members soon realized that they would be operating in a departmental structure and would, on a daily basis, be dependent on departmental services for hiring, purchasing and contracting, much like any other government program. The degree of departmental control over staff and budget required by government regulation was not spelled out initially. Because its members were not public servants, the Council also encountered problems discovering avenues of assistance from the Department.

In short, the Council was seen by the government in the same way as most voluntary associations. To the government, both were little more than disparate groups of people with a common philosophy and problems dealing with the government. In other words, the nature and dynamics of voluntary action were not recognized by government when it set up the Council. It assumed that the Council would be able to function like a division of government. Council members, however, did not see themselves as public servants.

A unity of purpose did eventually emerge within the Council, and this report attests to the Council's success in coming to grips with its mandate. The Council has undertaken an extensive research

program, developed positions and produced a report containing specific recommendations and a delineation of the main features of voluntary action and its relationships to government.

However, time and its own resources set a definite limit upon what the Council could accomplish. It was not a commission and therefore lacked the powers, budget and time to conduct a full-scale inventory and investigation of voluntary action in all its diversity. Indeed, the very varied nature of voluntary action created a dilemma for the Council. Should it attempt to be comprehensive, even though its resources were limited? Or should it restrict itself to only those areas which touched directly on the relationships between government and voluntary organizations?

In its resolution of this dilemma, the Council steered a middle course. It cast a wide net in terms of the issues it tried to investigate and assess, the groups and organizations it tried to reach, and the types of voluntary action it tried to investigate. Such a far-reaching approach was deemed necessary because of the impossibility of saying anything valuable about voluntary action in general without understanding, experiencing and even empathizing with its specific manifestations in all their uniqueness. Only after this wide ranging appreciation of voluntary action had occurred was it possible to be selective in terms of who were invited to consultations and what features of voluntary action appeared central and therefore in need of further in-depth investigation.

In this endeavour, the Council had to collect data on voluntary action and government programs affecting voluntary action, as well as on the general perceptions of voluntary action by both government and the general public. The primary sources of information were the Council members themselves, who, through meetings, discussions,

personal experience and contacts in their own milieus, collected much that was useful and valuable. In addition, they were asked to provide papers on the key issues identified by the Council. This approach was only proper: Council members had been asked to advise the government and their experiences did to a considerable degree reflect those of persons involved in voluntary action.

Another important source of information was the series of consultations initiated by the Council. The first of these was an exploratory questionnaire each member was asked to administer to four or five organizations in summer, 1975 as a means of identifying the main concerns of those engaged in voluntary action. There were also a considerable number of spontaneous contributions from right across the country by individuals and associations writing in to express their views. In spring, 1976 a more systematic attempt was made by mail to investigate volunteers' perceptions of the role and importance of voluntary action and the specific problems which volunteers faced and to which government might address itself. Citizens' concerns appear and re-appear throughout this report.

In its own meetings, the Council made a determined effort to meet members of associations reflecting voluntary action taking place in major parts of Canada. Questions were carefully framed to elicit information on crucial aspects of voluntary action in a number of Canadian centres. In the first nine months of 1976, such meetings occurred in Vancouver, Edmonton, Winnipeg, London, Toronto, Montreal, Quebec City, Bathurst, Saint John, Halifax, St. John's and Frobisher Bay. Several of them were convened by one or two Council members in their own regions. Through these meetings and subsequent discussions among themselves, Council members acquired both an analytical understanding of, and a personal feeling for, the basic philosophical, organizational and financial issues confronting voluntary action in the 1970s.

Another vital source of information was the research program developed and carried out in the last eight or nine months of 1976. The list of reports which resulted appears in Annex B. These covered areas which had emerged as central to the whole question of voluntary action. They included examinations of voluntary associations, the problems associated with incorporation and charitable giving, education, training and development in government/voluntary relationships, the economic value of voluntary activity, and others. These studies -- and especially two papers based on members' perceptions of a rationale for voluntary action and a rationale for government support of voluntary action -- represented an attempt to provide a more coherent framework into which the bewildering quantity of materials, ideas and issues identified by Council members could be fitted. The problem was, predictably, to select those issues which best depicted the dynamics of voluntary action and the relationships between voluntary associations and the Federal Government.

It must be clearly stated that the efforts of the Council were hampered by the failure of the Federal Government to provide information on its own programs affecting voluntary action in the form required by the Council. This failure is ironic, given that it was the government which asked the Council to study these programs in the first place. Very few data have been collected on the relationships the Federal Government creates with volunteers, voluntary associations or groups. Indeed, comparable information was difficult, if not impossible to elicit, from different government departments. Negative attitudes towards voluntary action prevented good dialogue in some cases. In others, direct access to information was not permitted the Council or its researchers, or, in other instances, elaborate procedural requirements for the release of such information effectively rendered it unavailable to a council with a two-year mandate. The Council wishes to note, however, that many individual members of the

government were extremely helpful and through their efforts some information was obtained.

Finally, there was no lack of potential secondary sources. These were collected by the Council staff for documentation purposes. A particular effort was made to identify as much Canadian material as possible; but here, as in other cases, much of the material which surfaced was American. A selective bibliography appears at the end of this report.

A constant issue faced by the Council was how much effort should be spent studying voluntary action and how much on its relationship to government. Certainly, the Council's mandate could have been interpreted very differently; there could have been heavy emphasis on contacts with government officials and the evaluation of government programs. Instead, the focus here is upon how the actual participants in voluntary action perceive their relationship to government. As a result, this report puts forward a strong case for voluntary action and provides an evaluation of its relationship to government from the viewpoint of the volunteers themselves.

The recipient of this report will, of course be the Government of Canada through the Secretary of State, who set up the Council for this purpose. However, the Council does feel that its observations and recommendations are also relevant to those engaged in voluntary action. Thus, though the main message is going to the government, the report can also be seen as a means of providing volunteers and voluntary associations with a useful picture of themselves and recommendations for how they can conduct themselves more successfully in their relations with government and other institutions. The Council's report is based on the strong belief that voluntary action is fundamentally affected by the general social, economic and political climate in Canada. For

this reason, the Council would argue that its report should be seen as a major step in the ongoing dialogue between government and the Canadian people.

More specifically, the report will emphasize the fundamental importance of voluntary action to Canadian society. It will also seek to clarify the confusion surrounding the terminology and definitions usually associated with voluntary action. In addition, there will be a succinct review of the contemporary state of voluntary action and some of the principal problems, both internal and external, faced by volunteers and associations at all levels. In this regard, the issue of financial support for voluntary action -- a central concern of many volunteers -- will be raised, but only in the context of the many and varied forms of support necessary if voluntary action is to flourish.

Next, there will be an exploration of two questions. Does the Federal Government have a responsibility to support voluntary action/voluntary associations? If so, what is the nature of this responsibility in financial and non-financial terms? Another crucial issue to be confronted is the access of voluntary associations to government information and the mechanisms of consultation and participation needed if government and voluntary associations are not to work at cross-purposes. Many of the Council's key findings pertain to this last issue. Throughout the report, discussion and recommendations intermingle in the order required for a logical consideration of each issue.

This report is the first Canadian overview of voluntary action which includes specific recommendations for action by the Federal Government. In many ways, the report mirrors voluntary action itself. Variations in style and content within the report are an accurate reflection of the diversity of voluntary action.

The Council expresses its appreciation to the countless people and associations contributing to its deliberations, often on very short notice, in the face of relentless deadlines. It is also grateful to its staff members for their dedication, not only as professionals in their field, but also as ardent supporters of the view of voluntary action taken by the Council.

The Council never needed to be reminded that it had but two years to complete its task. It was, indeed, a situation calling for much commitment and determination.

When the Council began its study, it suspected that voluntary activity was misunderstood and that popular attitudes and perceptions of voluntary activity were working to negate the good which voluntary activity can contribute to Canadian society. The Council is a living example of this misunderstanding. It encountered problems because of the structures and expectations imposed on it by government; and these problems exemplify what each and every voluntary association and volunteer encounters in dealings with government. The degree to which the Council succeeded in overcoming these obstacles and changing these attitudes should serve as a kind of grim encouragement to others in the field of voluntary activity who must deal with government.

Finally, it should be emphasized that the diversity characterizing Council members meant that its deliberations in the end possessed a vitality and realism which is an accurate reflection of the breadth and scope of voluntary activity in Canada. The conclusions, recommendations and opinions in this report do not by any means encompass all of Council members' views. Rather, the report reflects a consensus opinion which, it is to be hoped, will serve as a departure point for a stronger and more positive commitment to voluntary activity in Canada.

LIST OF RECOMMENDATIONS

Recommendation Number		Page
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GENERAL PRINCIPLES -- CHAPTERS 1 and 2

#1	The government of Canada must guarantee the maintenance of the freedom, integrity and independence of voluntary action in Canada. Specifically, <u>in all its relations</u> with those involved in voluntary action, the Government of Canada should respect their freedom, integrity and independence.	21
#2	The Government of Canada recognize as a basic principle the fundamental value of voluntary action and commit itself to concrete action in light of this principle.	33

ENVIRONMENT FOR VOLUNTARY ACTION -- CHAPTER 3

Relations with the Media

#3	Voluntary Associations identify the various media in their communities, acquire an understanding of their functioning, determine the size and nature of their readership and audiences and discuss with media representatives the best means of working with the media and communicating with the public.	46
#4	Media of every variety allocate resources for assisting members of voluntary associations to learn effective ways of co-operating with the media and, in particular, in preparing information for use by the media.	46

Relations with Local Businesses and Employers

#5	Local firms make their premises, facilities and other resources more available and accessible to voluntary groups and organizations.	48
#6	Voluntary groups and organizations explore with employers in their communities ways and means of equalizing opportunities for voluntary action among their employees with a view to implementing the same.	49
#7	Employers consider experience in voluntary action as one of their selection criteria in their hiring and promotion practices.	49

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	<u>Relations with Organized Labour</u>	
# 8	Voluntary associations, local labour councils and unions meet together and seek ways of ameliorating their relations, particularly in unionized institutions benefiting from the services of volunteers.	51
	<u>Relations with Educational Institutions</u>	
# 9	Voluntary associations meet with local school boards and individual educational institutions in order to discuss, encourage and assist in the setting up of voluntary programs and projects involving students in community activities inside and outside the school.	52
#10	Voluntary associations, industry and the mass media cooperate in preparing written and audio-visual materials for use by teachers in assisting their students to become more aware of the opportunities for voluntary action in their own communities.	52
#11	Educational institutions render their premises, facilities and other resources more available and accessible to voluntary associations.	53
#12	Educational institutions include experience in voluntary activity as one of the criteria for admission to a wide variety of courses.	53
#13	Post-Secondary Institutions:	
	i) Provide, particularly at the university level, more opportunities for research into voluntary action in Canada;	58
	ii) Consider increasing the allocation of resources to teaching about voluntary action as a legitimate and vital component of Canadian society; and	
	iii) Provide more opportunities for learning skills associated with voluntary action, individual and collective, such programs being developed in co-operation with individual volunteers and voluntary associations.	
#14	Voluntary associations take some initiative in approaching post-secondary institutions with the foregoing goals in mind.	59
#15	Voluntary associations initiate discussions with relevant post-secondary school faculties to develop programs of	60

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#15	exchange and renewal conducive to changes in attitudes (cont'd) towards voluntary action.	

Relations with Other Institutions

#16	Local churches and municipal government make their premises, facilities and other resources more available and accessible to voluntary groups and organizations.	61
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THE INTERNAL CLIMATE OF VOLUNTARY ACTION -- CHAPTER 4

The Changing Nature of the Volunteer

#17	Voluntary associations and institutions involving volunteers take steps to generate greater opportunities for the participation of women in formulating policy for, and exercising real control over, the directions taken by the associations to which women belong.	67
#18	Voluntary associations, in establishing their practices and procedures, ensure that they accommodate volunteers with new lifestyles and demands.	69

Training and Renewal of Volunteers

#19	Voluntary associations recognize the training of volunteers as a priority.	69
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Relations Between Paid Staff and Volunteers

#20	Voluntary associations clearly define in writing the roles and responsibilities of both staff and volunteers in the association and, more importantly, the inter-relationships between the two.	75
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Remuneration and Compensation for Volunteers

#21	Associations involving volunteers develop clear policies to cover the expenses of volunteers. A first principle in such a policy should be to inform new volunteers about the exact nature of the policy as it applies to them. A second principle should be the payment of the expenses	78
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#21 (cont'd)	of those volunteers whose involvement would otherwise be curtailed or halted altogether.	
#22	Associations involving volunteers be allowed to include volunteers' expenses in their budgetary submissions to funding bodies. The funding bodies should recognize these expenses as legitimate disbursements for voluntary associations, and as a priority for volunteers who cannot cover such expenses or benefit from a tax receipt.	78
#23	Associations recognize the need for child-care services, whether by providing such services on location or by recognizing the payment of volunteers' expenses in this area as a legitimate item to be included in their budgets.	78

Evaluation of Voluntary Activities

#24	Voluntary associations should explore ways and means of performing a process of mutual evaluation among themselves.	81
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Boards of Directors

#25	All voluntary associations which receive funds from the public by any means ensure that their constitutions allow for representation on their boards of the people and communities they serve.	83
#26	All voluntary associations which receive funds from the public by any means have in their constitutions clauses ensuring rotation of board members.	83

FINANCING OF VOLUNTARY ACTION -- CHAPTER 5

Accounting

#27	The full results of the Vancouver Planned Programmed Budgeting Systems Project be made public upon termination in order to ensure that proper discussion of this extensive project takes place and further steps are taken to implement the concept or develop a workable alternative.	94
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Recommendation Number		Page
#28	The question of developing a common simplified reporting system applicable to the wide variety of voluntary associations and groups supported by public and private funds be re-examined by voluntary associations and funders based, in particular, on an assessment of the experience in the last ten years in the health, social and community service sectors.	95
	<u>Granting Criteria</u>	
#29	Donors constantly be sensitive to the particular characteristics and nature of voluntary associations and involve, through various means of consultation, prospective recipients in the process of developing funding criteria.	98
	<u>Membership and Participation Fees</u>	
#30	Voluntary associations continue to collect membership and participation fees, however small, providing these do not discourage participation by volunteers.	101
	<u>Corporations and Foundations</u>	
#31	Corporations, in concert with foundations, undertake an in-depth independent study of corporate and foundation giving in Canada.	110
	<u>Lotteries</u>	
#32	Governments carry out studies on lotteries they sponsor with a view to determining their present impact and future implications for individual giving and the financial well being of the voluntary community.	111
THE NATIONALS -- CHAPTER 6		
#33	The Department of the Secretary of State improve the access of national voluntary associations to government translation and interpretation facilities. The cost to these associations of using such facilities should be minimal.	127

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THE FEDERAL RESPONSIBILITY -- CHAPTER 7		
#34	The Federal Government affirm in principle and through policy its responsibility to safeguard the basic freedoms of action and association through creating conditions within which Canadian citizens are enabled, encouraged and assisted to act voluntarily about those matters which concern them.	139
#35	Government ensure that voluntary associations have equal access to grants and other means of support, equal opportunity to make their voices heard and the means to emerge and develop in accordance with their own needs, concerns and priorities.	139
FEDERALISM, DECENTRALIZATION AND VOLUNTARY ACTION -- CHAPTER 8		
#36	The Federal Government pursue a policy of decentralization consistent with efficient co-ordination and administration, provided that effective guidelines are maintained for ensuring equal opportunity for consultation by all Canadians.	146
#37	Each department delegate to its regional and local offices greater but clearly defined discretionary authority to provide assistance to voluntary action/associations, to set up effective consultation mechanisms in those offices and to train their staff in the skills and attitudes needed to respond effectively to those engaged in voluntary action.	150
DIRECT FINANCIAL AID -- CHAPTER 10		
	<u>Project Grants</u>	
#38	Government provide funds in project grants to cover the design, administration and evaluation of projects.	178
	<u>Sustaining Grants</u>	
#39	The government develop an overall set of policies for the provision of sustaining grants. Certain general principles should govern these policies:	186

Recommendation
Number

Page

- #39 (cont'd) -- Need for a duration period for the grant of at least three years to ensure that the organization will be able to concentrate on implementing its program and future planning;
- Need for the agency to submit an annual report on its progress towards meeting its stated program objectives;
- Permission for annual amendments to this program within specified limits;
- Need for at least 12 months notice of termination;
- need for an extensive evaluation on agreed upon criteria towards the end of the grant period; and
- a possibility of revitalization funds for associations already receiving sustaining grants.

Grant Criteria

- #40 Granting criteria be explicit, simply phrased and well publicized and specify the exact characteristics of an eligible voluntary association, the exact nature of an eligible project and the field of activity into which both project and association must fall. 197
- #41 The government provide funds and resources to encourage evaluations, exchanges and other activities which will revitalize voluntary associations. 198

Procedures for Processing Grants

- 42 Federal funding agencies publicly set and adhere to definite time limits throughout the granting process for such activities as accepting new applications, acknowledging submitted applications, making decisions at every level to approve or reject an application and notifying applicants of the final decision on their applications. 203

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	<u>Evaluation and Termination of Granting Programs</u>	
#43	Evaluations of voluntary activities rest more on qualitative than quantitative analysis.	204
#44	The government ensure that, when it provides funds to voluntary associations, it only holds them accountable for, and evaluates programs supported by such funds.	205
#45	Federal departments and agencies ensure that their procedures for evaluation of support to voluntary action permit the involvement of representatives from the voluntary association under consideration. When evaluating services provided by voluntary associations, the recipients of such services, and representatives of communities affected by the services, should also participate in the evaluation and receive the results of same.	206
#46	The Federal Government provide for at least a six-month phasing out period after termination of any program of financial aid or other support to voluntary activities.	207
#47	Federal funding agencies give ample notice of the termination of a grant to the recipient of that grant.	208
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#50	The federal and provincial governments hold consultations to attempt to formulate legislation and procedures for incorporation of voluntary associations which are consistent throughout Canada.	222
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#52	The Federal Government re-examine the definition of charity and substitute a legal definition more closely in keeping with the reality of voluntary activity as described by this Council.	234
#53	The Government of Canada direct that a review be carried out to develop simple guidelines for the procedures by which tax registration applications are handled and also to develop more objective guidelines and broader registration criteria more in keeping with the reality of voluntary activity today.	234
#54	This review include an examination of the concept of five-year assessments of all registrations.	234
#55	The responsibilities for registration and de-registration of charitable organizations be transferred from Revenue Canada, which is only concerned with the collection of revenue, to the Secretary of State, which has somewhat broader concerns. The Secretary of State should be authorized and encouraged to take a more flexible view of objects and activities which are for the general good of the community.	235
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#64	The Income Tax Act be amended to include a provision that, where a life insurance policy or monies to pay the premiums are donated, the gift be excluded in determining the annual income of the charity.	250
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#67	The Federal Government grant a special postal rate for mailing of publications and informational materials by all voluntary associations registered with Revenue Canada.	256
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#70	The Public Service Commission of Canada ensure that all officials at all levels, who in the course of their work are required to relate to volunteers and voluntary associations, have the means to develop their awareness of how to work most effectively with their clientele.	259
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	<u>Publicity</u>	
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#73	The Department of the Secretary of State commission the National Film Board of Canada to produce, in consultation with a committee of volunteers, a film which would publicize the scope, diversity, role and importance of voluntary action in Canada.	263

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	<u>Access-to-Information Legislation</u>	
#74	Access-to-information legislation be enacted by the Parliament of Canada creating a statutory right of persons to obtain access to information held by the government or its agencies, subject only to a list of narrowly defined exceptions, with any refusal to provide such information and any unreasonable delay or costs subject to review and enforcement by the courts on the merits, with burden of proof on the government.	268
	<u>Collection of Information on Government Programs</u>	
#75	The Government of Canada enforce its directive to Treasury Board and federal departments and agencies to collect, collate, publish and disseminate data on the state of federal financial support to voluntary action across Canada in the form of annual reports to all departments and the public upon request.	269
	<u>Measurement of Volunteers' Contributions</u>	
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	<u>Publicizing of Government Programs</u>	
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Consultation Methods and Procedures

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| #78 | Government in its consultations ensure that each and every one of the following steps is put into practice: | 279 |
| | (a) The subject matter to be addressed in the consultation must be clearly and precisely defined; | |
| | (b) Those persons who will be affected by the matter under consideration must be identified accurately and systematically and all information on the subject matter must be distributed to them; | |
| | (c) The goals and terms of reference of the consultation must be clearly and explicitly stated; | |
| | (d) The people consulted must be kept informed of developments during and after the consultation process; | |
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Voluntary Action Resource Centre

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|-----|--|-----|
| #79 | The Government of Canada provide, in fiscal year 1977/78, funds for the establishment of a Voluntary Action Resource Centre which would report to the Privy Council Office and which would have the following functions: | 293 |
| | (a) The encouragement of government as a whole to develop and improve programs of support for voluntary action and consultative mechanisms; | |
| | (b) The monitoring of governmental implementation of the recommendations made in the report of the National Advisory Council on Voluntary Action; | |

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<p>#79 (c) The discussion and proposal of programs within the Federal Government to ensure greater responsiveness in government to those engaged in voluntary action;</p> <p>(cont'd) (d) The inventory of government programs of assistance to voluntary action;</p> <p>(e) The facilitation of the exchange of information on voluntary action within the Federal Government;</p> <p>(f) The promotion of co-operation and the exchange of information between government and voluntary action;</p> <p>(g) The provision of information about governmental programs and consultative mechanisms to particular voluntary associations upon request;</p> <p>(h) The enhancement of the awareness of voluntary associations across Canada of governmental programs of support and consultative mechanisms; and</p> <p>(i) The promotion of co-operation and exchanges of information among those engaged in voluntary action across Canada.</p>	294
<p>#80 The Government of Canada establish a Voluntary Action Committee of nine members during fiscal year 1977/78, two-thirds of whom would represent voluntary action and one-third of whom would be senior officials from federal departments with programs of support for voluntary action. The Committee would:</p> <p>(a) Review the report of the National Advisory Council on Voluntary Action, study and consult with government about how these recommendations could best be implemented, and pursue the studies initiated by the Council;</p> <p>(b) Establish, direct, and monitor the program of the centre;</p>	

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#80 (cont'd)	<ul style="list-style-type: none"> (c) Direct the internal budget of the centre; (d) Direct the hiring of staff through a sub-committee composed of both governmental and non-governmental members of the committee; (e) Meet as needed to develop policies for the centre, to advise government and to consult with citizens and representatives of government; and (f) Report once a year to the government and to the public on the state of relationships between the government and voluntary action. 	
#81	Within three years of the establishment of a Voluntary Action Resource Centre of Canada, the Federal Government, in conjunction with representatives of voluntary action, evaluate the centre with a view to defining its future role.	298

PART 1

Voluntary Action in Canadian Society



Chapter 1

What is Voluntary Action?

INTRODUCTION

Throughout its deliberations, the Council's conviction that voluntary activity is an integral and fundamental aspect of Canadian life was constantly reinforced. However, the concepts and frameworks needed to capture the Council's mammoth subject matter were a continual struggle to define. Despite this difficulty, the Council did not lose sight of the fact that voluntary activity fundamentally involves Canadians seeking to better their own conditions and those of people around them.

This report is based on three assumptions about voluntary activity, all of which arise from the Council's research data and consultations. First, voluntary activity comprises both individual and collective action. Second, it occurs spontaneously and in organized forms throughout Canadian society. Third, it exists independently from, but has extensive relations with, major institutions in society -- especially government.

One may well question the degree to which voluntary activity can be independent, given that this report is the first overall review of the subject and is sponsored by government. At the outset, the Council states unequivocally that voluntary activity does not derive

its legitimacy from the state. For either the voluntary community or government to believe otherwise would have drastic implications for our free society.

In fairness, the desire of government to define more clearly its relationships to voluntary associations, and to decide whether these relationships will or should change, did not erode the integrity of this report. The Council, composed of individual citizens, was permitted to give advice from an independent viewpoint. Consequently, the Council has been able to meet the needs of the voluntary community and serve the interests of the Federal Government without sacrificing either.

THE DIVERSITY OF VOLUNTARY ACTIVITY

Voluntary activity is diverse because it is a fundamental human activity and therefore as varied as human interests and aspirations. It also involves Canadians acting and reacting of their own free will throughout the country. Voluntary activity forms an integral part of daily life and therefore is difficult to delineate for definitional purposes. Often incompatible with extensive structuring, organization, planning and centralization, voluntary activity can readily be ignored or downplayed by those who measure value, power and influence only in terms of money, assets and efficiency.

The problem of defining voluntary activity is complicated further by the fact that much of it is relatively invisible. There are, of course, many voluntary associations which continually gain publicity and/or work closely with government. On the other hand,

there are many forms of voluntary activity which are not mentioned by the media and make no demands upon government. Indeed, there are a multitude of persons continually contributing their time and money with very little recognition. Many groups and associations use only their own internal resources and do not look to government for assistance. Most of these individuals and groups appear to have a preference for operating in this manner.

From the point of view of the individual involved, the task of defining voluntary activity might appear very easy because it begins with a very simple act. An individual decides that he wants or should do something, and then does it. What could be more obvious and simpler to define?

The difficulty, however, is that this very simple act can assume as many forms as there are individuals in Canadian society. He or she may decide to give blood, or mow an elderly neighbour's lawn, or read a book for a blind person, or take up pottery as a hobby, or help someone harvest a crop, or develop blisters for Miles for Millions, or counsel single parents, or give money to the Montreal Symphony, or join an amateur choral society, or coach pee-wee hockey, or organize a suburban citizens' transit system, or band with others to stop the Spadina Expressway, or all of these, or something entirely different.

To further compound the situation, voluntary activity is not only an individual endeavour. The volunteer may associate with other volunteers to further a cause or he may choose to join an identified organization which is formalized and structured to a greater or lesser degree.

For example, the volunteer may be appointed to the board of

directors for the Canadian National Institute for the Blind or the Fédération de l'Age d'Or du Québec or join with the object of setting policy any number of other voluntary associations at the local, provincial or national levels. Or the volunteer may be involved at the program level, teaching swimming at the local YMCA or providing information and advice for Information Dépannage. The volunteer may also be found typing letters and running a Gestetner and thereby contributing to the collective endeavours of such organizations as the Association des locataires de Côte-des-Neiges, the Alberta Native Communications Society, the British Columbian Peace Council or any number of drop-in centres in communities right across Canada. Or the volunteer may be providing technical skills or professional expertise as a doctor in a self-help cardiac program, as an accountant helping with the books of a conservation society, as a lawyer with the Clinique juridique et populaire de Hull, or as a home economist contributing nutritional advice to senior citizens in an age and opportunity club. He or she may join an organization providing specialized services and for this reason receive training to assist callers at Tel-Aide Québec or women dropping into a women's centre for personal counselling. Or he may simply belong to Fish, an organization which takes pride in the fact that its membership is composed of "untrained, ordinary people who will try to be a good neighbour to you".

The activities of the organizations or groups to which volunteers contribute may be classified in any number of ways. For example, in the literature on voluntary activity, writers frequently distinguish between self-expressive and instrumental activity. Organizations engaged in self-expressive activity exist primarily to give their members enjoyment or opportunities to express themselves or grow personally in ways they deem desirable. In other words, the activity is seen as valuable in itself -- that is, as an end in itself.

In the case of groups with a more instrumental orientation, the group's activity is not a goal in itself; it is the purpose or end result of the activity which gives it value. This may be service -- that is, meeting the needs of others by providing a service. It may also be advocacy -- that is, fighting for social, institutional or legislative change. Or it may simply be the raising of funds. This distinction between self-expressive and instrumental is useful, though it would be naive to assume that all voluntary associations fall exclusively into one or the other of these two categories.

Many groups are clearly engaged in both self-expressive and instrumental activity. One important type of activity falling into both these categories is self-help. Groups involved in self-help activity include all kinds, from single parents' associations to the Fed Up Co-Operative Wholesale in Vancouver, to the Comité d'Action du Moulin à Fleur in Sudbury, to the Blind Organization of Ontario with Self-Help Tactics (BOOST). Usually, they provide an environment where people with the same problems can get together and discuss them -- an activity which may be valuable in itself -- while at the same time providing services and fighting for social and institutional change.

Even among voluntary associations which appear mainly instrumental in their approach -- for example, the Canadian Red Cross Society with its many well recognized services -- there is usually some element of self-expression. Indeed, if their members did not receive some intrinsic satisfaction from their activities, they would probably quit. In the performance of an act aimed at some objective, there is often an essentially personal element which is a fundamental source of satisfaction to volunteers. The instrumental and the self-expressive, then, are inextricably intertwined and necessary, even in the most service-oriented of organizations.

Although the Council, in its deliberations and in its report, has not formally adopted the self-expressive/instrumental distinction, it is a useful tool for a voluntary association wishing to analyse and assess its own functions and activities. Because most voluntary associations continually change, however, one cannot and should not pigeonhole them into any one category. For this reason, the Council believes that the best approach to categorization is the functional one. Such terms as self-expressive/instrumental or service/advocacy should, as a rule, be applied to the functions performed by a voluntary association and not the association itself.

One other approach is to look at the fields of activity in which voluntary associations participate. The fields of activity identified below by no means form an exhaustive listing. In the sports field, there is everything from minor hockey leagues to the Alberta Amateur Football Federation to the many alpine clubs to the Conseil régional des Loisirs de Montréal to the local curling clubs to others covering every possible type of sport. In the hobby or craft field, there is the Moose Jaw Antique Automobile and Pioneer Museum Association, the Société d'Horticulture d'Asbestos, the Canadian Guild of Potters, the Société des Jeunes Naturalistes, and many others at the national, provincial and local levels. In the health field, there are interest groups and associations involving everyone from parents of disabled children to the dependent handicapped to the mentally retarded to the blind to the deaf to the diabetic. Such organizations may focus upon heart disease, cancer, alcohol and drug dependencies, and many other types of health problems. In the arts field, activities range from membership in community arts councils and local museum associations to performing in amateur theatre groups, youth orchestras, art festivals, police association bands, and many others. In the field of humanistic services, there are many activities relating to consumerism, social welfare, social action and the like.

There are also innumerable voluntary service organizations as well as a host of social-action groups, citizens' groups, anti-poverty groups and welfare-rights groups.

Without a doubt, the latter field is of continuing importance in our society. It has always been an activity through which Canadians could act directly in an effort to change established institutions. In recent years, however, with the advent of native groups, poverty groups, women's groups and human rights associations, this field of action has expanded and gained prominence.

Since voluntary activity is an integral part of Canadian life, it is therefore frequently mingled with activity which is distinctly non-voluntary. One example is the Children's Aid Societies in Ontario which serve almost as an arm of government when providing services required by legislative statute. Sometimes, voluntary activity occurs in a government context. Governments have created organizations within which activities occurred which may well have been voluntary. The young persons who worked in communities for the Company of Young Canadians and in Opportunities for Youth projects often saw themselves as volunteers, even though they received some remuneration for their efforts. The same applies not only to government but also to other non-governmental sectors. Thus, there is no clear boundary between voluntary and other forms of social activity, and the definitional issue is far from being resolved.

Some of the difficulties of defining voluntary activity should now be apparent. It is so diverse in form and focus that there are exceptions to almost every generalization made about it. Its objectives escape categorization and change constantly. Almost any field of activity conceivable to Canadians can constitute a focal point for voluntary activity. It can be a spontaneous individual act or occur

within a voluntary association or take place with a government program.

It should come as no surprise, then, that those engaged in voluntary activity do not always agree on what it is. Volunteers involved in service activities have tended to see voluntary activity as a form of altruism, a charitable gift of time, energy or money to those who need it. As one correspondent with the Council put it: "Voluntary organizations are very important as an expression of humanitarianism, or in some people's terms -- compassion. Our world would be in a sad way if these were not encouraged and cultivated."

Members of the social-action groups, self-help groups and other similar organizations which proliferated during the late 1960s and early 1970s often dismissed such a view as a dubious excuse for paternalism. They emphasized that they themselves benefited from the actions they took within their own communities. As one participant in a meeting held by the Council stated, "I take the view that people volunteer basically out of selfish motives, and I don't buy the line that people volunteer out of altruistic motives. I think they volunteer because they want to satisfy some basic need within themselves. I think this is a really important thing to understand about volunteers. Whether you are trying to organize a co-op market or you're running a more traditional volunteer thing like a gift cart in a hospital, you're still doing it for really selfish motives." It would seem that people tend to define voluntary activity according to their own perceptions and generally in relation to their motives for volunteering.

Quite early in its mandate, the Council discovered that many volunteers are viewing differently the motives for voluntary activity. There is a new acceptance on their part that both altruism and self-interest motivate voluntary acts and that it is more honest and realistic to admit to both motivations. Among others, Carter, in her study for

the Canadian Council on Social Development¹ has already clearly demonstrated this fact.

Today, many volunteers tend to place less emphasis on a charitable motivation and frankly admit that their involvement in voluntary activity arises from their need for self-expression, self-development and self-protection. Given that large numbers of Canadians are heavily engaged in voluntary activity, many are seeking to fulfill their personal needs. Whether the volunteer experiences growth, needed human contact, the satisfaction of strong ego needs for social status or promotion within the company, political training, or the fulfillment of a need to get out of the house, the strength of voluntary activity is that it makes no judgements about such needs. It simply accepts them and offers opportunities for their fulfillment in a socially useful manner.

A recent article in the Toronto Globe and Mail² perfectly illuminated this point. A former champion figure skater described her motives for teaching blind children to figure skate: "This is my thing, my speciality. It's fun. It's a good exercise. I've discovered the blind are just like us if you just relax and treat them like normal people. Don't get me wrong. I don't teach these classes as a charity. I'm basically a very selfish person. I teach them because I get tremendous gratification."

The Council believes that there is always a mixture of self-interest and altruism in the motives for voluntary activity. The desire for self-fulfillment is an acceptable motive unless the activity it

¹ Novia Carter, Volunteers: The Untapped Potential (Ottawa: Canadian Council on Social Development, 1975).

² Globe and Mail, December 11, 1976.

precipitates is at the expense of others.

As a result of this new and healthy realization that the volunteer himself does and should benefit from voluntary activity, new forms of voluntary activity are being recognized which would seem to be founded on a more realistic view of the human reality. In short, there must be a genuine understanding of the diversity of human experience and need. For, if it is not accepted that people need to serve and be served, then no motive can be pure enough.

This tendency to define voluntary activity in terms of one's own motives sometimes leads to labelling. It is often said, for example, that the social-service or fund-raising agency on the one hand is traditional, as compared to the progressiveness of the social-action or citizens' group on the other. Such distinctions, however, are usually a product of bias rather than of any genuine appreciation of the reality of voluntary activity and the great diversity of approaches within most organizations.

The Council's approach has been to refrain from categorizing any one group or organization as exercising only one activity or function and being labelled accordingly, with whatever negative or positive connotation that label has. Voluntary activity is, if nothing else, an evolving dynamic activity which should not be locked into any system of rigid categories.

PERCEPTIONS AND DEFINITIONS

From the very beginning, the Council encountered a profusion of confusing terms which purported to encapsulate this very broad subject. A short list of such terms included: "volunteer", "voluntary association", "voluntary group", "voluntary organization", "voluntary sector", "voluntarism", "volunteerism", or "voluntary action".

There is a fundamental problem with all terms using the root "voluntary": they have a somewhat unfortunate connotation to much of the public. Whereas the term "voluntary" originally applied to activity freely performed for the good of society, its more recent meaning has narrowed to an almost stereotyped view of voluntary activity as a "charitable" and unrealistically selfless form of endeavour. The public still believes that volunteers see themselves only in this manner and regard such purity of motive as questionable.

Many persons engaged in voluntary activity react very strongly against this stereotype, as one participant in a Vancouver meeting pointed out: "I think very few people of my age group and my economic class would understand some of the work they are doing now as a volunteer type of work. They would think that you are being terribly naive to call them volunteers. If you said they were working in the community, then they would understand what you are talking about, but a volunteer in these days is something out of the fifties....That stereotype ought to die right here!"

There can be little doubt that some of the stereotypes arising from the connotation of "voluntary" have damaged the image of voluntary activities and prevented volunteers from receiving the recognition they deserve. It is for this reason that some suggested that a discussion

of voluntary activity should revolve around such terms as "community", "citizen" or "participation". The problem is that such terms also suffer from what they attempt to correct: they are catchwords arising from the social turmoil of the late 1960s and early 1970s. They may not fully reflect the present reality of voluntary activity.

Hence, it should be stated immediately that the Council does not agree that all uses of the word, "voluntary", and other similar terms should be abandoned. The term, "volunteer", for example, is quite acceptable if its user intends it to apply to those people with the variety of attitudes and carrying out the diverse activities which the Council has studied -- including the activities of community activists who do not wish to be called "volunteers". A reinstatement of the term in this broad perspective is required.

The term, "voluntary association", is used in its broadest sense -- that is, to refer to that vast array of groupings of volunteers, formal and informal, registered or not registered, incorporated or unincorporated, which form or are set up to carry out activities in a voluntary manner. It comprises both "voluntary organizations" or bodies with identifiable structures and programs, and "voluntary groups" or bodies which are more informal or sometimes newly created. It should be noted that the term, "voluntary organization", is sometimes used to refer to all voluntary bodies. The Council prefers the term, "voluntary association", because the word, "voluntary organization" is often only applied to voluntary groupings which have attained some form of legal status. Thus, "voluntary organization", often excludes groups created on an informal basis.

The term, "voluntary sector", presents yet a different problem because of the word, "sector". A majority of the Council found it unacceptable for the following reasons. It implied that there

actually is a voluntary sector clearly distinguishable from government, business and other sectors. However, many organizations do not fall into one or another of these categories. For example, there are quasi-governmental organizations such as hospitals, schools, museums and art galleries. This type of analysis implies that there is a series of clearly definable and discrete sectors.

The sectoral analysis is also misleading as a description of the respective roles of and relationships between government, business and people engaged in voluntary activity. Society is much too complex to be reduced to a pie which can be sliced into wedges for analytical purposes. This viewpoint fails to recognize interrelationships.

The sectorial analysis also gives an artificial picture of how funding occurs for voluntary action. Support does not come to some meaningless abstraction called the "voluntary sector", nor is it given by a "business sector" or a "government sector". Rather, particular government agencies and specific business organizations give money and support to particular voluntary associations because the latter are providing services or supporting causes which the former deem valuable.

This sectorial view also tends to suggest that within each sector there is a structured and coherent system of interrelated organizations. In this regard, it must be admitted that government and business can be precisely defined in legal terms, though such legal definitions do not necessarily mean order in senses other than the legal. Certainly, voluntary activity in all its diversity precludes such a highly ordered view. Voluntary activity is constantly changing and in many ways reflects new currents of social change. Thus, there is a fluidity and spontaneity to voluntary activity which can be lost if a term as rigid and static as "voluntary sector" is used.

A few members of the Council wished to encourage use of "voluntary sector". The terms, "government sector" and "business sector" are in common use and would seem to be generally accepted as referring to important activities in Canadian society. Use of the term, "voluntary sector", would serve to underscore the importance of the immense and diverse field of voluntary activity which may in fact be the most far-reaching in Canadian society.

The terms, "voluntarism" and "volunteerism", create, in addition to the problem of stereotyping, confusion because of their similarity. The term "voluntarism" has been in use for a long time and is a broader term referring to the spirit or ideology of voluntary activity and the movement comprised of all those engaged in such activity. "Volunteerism" is a newer term referring to the giving of oneself out of a concern for others. The main reason, however, why the Council does not wish to use these two terms in this report is that a better and more acceptable term exists -- namely, "voluntary action". It is more in keeping with the approach taken by the Council, as will be seen in the next section.

Thus, the major terms finally settled on by the Council are: "volunteer", "voluntary association", "voluntary organization" and "voluntary group" and "voluntary action".

In this terminological discussion, the Council quickly discovered that it had to come to conclusions acceptable in two languages and two cultures. Accordingly, the Council struggled with the French usages of such terms as "bénévole" and "volontaire". These present a different set of problems. The distinction between these terms and their derivatives is similar to that between "service" and "advocacy". No overall term applicable to all types of voluntary activity would seem to exist in French, or at least not one which would be even minimally

acceptable to all those engaged in such activity.

In some circles, "bénévole" has acquired a negative connotation much like "do-gooder". Others do not identify at all with "volontaire" because of its military, non-altruistic connotations in French-speaking communities. In spite of these difficulties, "action volontaire" is used throughout the French text as an equivalent to "voluntary action" and "bénévole" is used to refer to specific individuals and associations because the term deserves some rehabilitation. "Groupe d'action volontaire" is used to designate those social-action groups whose styles and philosophies of action render "bénévole" inappropriate. Clearly, even the terminology of voluntary action is in a state of constant change, whatever the language.

To sum up, the Council is concerned above all with the necessity of demolishing narrow concepts and stereotypes which feed negative and erroneous attitudes towards voluntary action. Voluntary associations themselves may fall into such traps. The words they use to describe themselves are often self-serving, inaccurate and limiting. In addition, voluntary associations tend to define voluntary activity in terms of their own particular activities and thus alienate persons with other interests and concerns.

The Council also believes that no all-encompassing definition of voluntary action exists. However, definitions are still very much needed for functional purposes. For example, a definition for purposes of granting would not necessarily be very useful when selecting organizations to be consulted by government. However, if a multiplicity of functional definitions is necessary, it is also vital that each such definition be rendered explicitly whenever it is used.

AN ALTERNATIVE APPROACH

It is significant that early on in its mandate, the Council requested that the Secretary of State change its name from the "National Advisory Council on Voluntarism" to the "National Advisory Council on Voluntary Action". Only the term, "voluntary action", seemed to be acceptable -- mainly because it conveyed a sense of dynamic human activity.

"Voluntary action" is the term best encompassing the subjects which the Council has been studying for the last two years. It has been in use now for several years in the United States and Canada, but is still new enough to circumvent the definitional dilemmas prevalent as soon as a study of the topic commences. In addition, the term, "voluntary action", is sufficiently broad to encapsulate the incredible diversity of such activity while conveying a sense of dynamism and the simple notion that people are doing things of their free will because they are committed, whether individually or in concert.

A feeling for what voluntary action is can be communicated. Voluntary action is "active" citizenship. It is people accepting a real responsibility for shaping their communities and their country and acting in some way on that responsibility. It is all that people do when they act of their own free will; in other words, it is people participating. Such statements convey the spirit and the meaning of this basic human activity without typing it down in some rigid logical structure. But the distinction between voluntary and non-voluntary action must be made again and again for each new individual case. An ongoing dialogue about the meaning of voluntary action is, therefore, inevitable.

An analogy can be drawn with the "reasonable man theory" in

law wherein the Court must decide whether the man before the Court acted as a reasonable man in each particular instance. Similarly, in each and every individual case, it is necessary to decide whether an activity is voluntary.

The approach taken to defining voluntary associations is somewhat different. Again no all-encompassing definition is being proposed. The Council, however, chose to enumerate the distinguishing characteristics of voluntary associations along a continuum:

- (1) voluntary associations are formed in order to further some common interest or objective of their members;
- (2) members can join or leave a voluntary association without compulsion;
- (3) voluntary associations do not seek profit as an end in itself; if there is any profit, it is not of the type which clearly labels the organization as profit-seeking; nor do the profits return to the members in most cases;
- (4) voluntary associations do not seek political power for its own sake but may utilize political means to further their goals;
- (5) policy-making in voluntary associations is controlled by the members;
- (6) voluntary associations are independent, though they may collaborate extensively with government, business and other institutions, or with each other; and
- (7) generally, voluntary associations should have a high degree of involvement by volunteers throughout.

There are many associations in Canadian society which exhibit only some of these characteristics. The Council suggests that for an organization or group to be considered voluntary, it must have all these characteristics to some degree. The terms, "voluntary association",

"voluntary organization" or "voluntary group", are used in this report without prejudging the degree to which an organization is, in fact, voluntary.

Perhaps the basic test of the voluntariness of an association is that its decision-making process is controlled by its members. If such control does not exist, then the organization is simply not voluntary. Some boards of directors, for example, are purely advisory. There are, of course, degrees of such involvement by the members and these may change over time. The question of what degree of involvement is necessary to render a particular organization or group voluntary is a pragmatic one which must be settled differently in each specific case. It is also a fact that action which is voluntary may take place within a non-voluntary setting. For this reason and because voluntary action may be carried out by an individual, the Council does not equate voluntary action with voluntary association.

It may be noted that the economic, professional or social background of the members of an organization has nothing to do with whether it is voluntary or not. While historically the source of funding for voluntary associations played a large part in determining whether that association was, in fact, voluntary, it is less relevant today. However, if an association receives most of its money from government the question of its voluntariness should likely be explored in terms of the degree to which it is controlled by its members and not government. For example, such questions can be raised about the Children's Aid Societies in Ontario, though the answers even here do not come all that easily. These societies receive over 90 per cent of their money from government, but in 1976 it was their voluntary aspect -- their reliance upon boards of volunteers -- which allowed them to react effectively to the significant cutbacks the Ontario government announced in the social services budget. Thus, no superficial examination of volunteers' backgrounds or funding sources will reveal whether an

organization is voluntary. It is necessary to delve much more deeply.

In the case of the Children's Aid Societies in Ontario, their dependence on government funding did not inhibit their ability to react to government. They understood their integrity as voluntary organizations and thus were able to remain independent. It is more difficult, but not impossible, to exercise freedom of action in such situations. It is this independence from government and other established institutions which probably lies at the core of voluntary action.

The Council, therefore, strongly believes that freedom of action is the basic condition for voluntary activity by individuals; and that, for collective voluntary action, freedom of association is the basic condition. Canada has long been perceived as a country where people have been free to act on their own initiative and associate together in pursuit of common objectives. In a voluntary way, Canadians have been attempting over the years to create from a wide variety of backgrounds the kinds of communities in which they wish to live. The diversity and the richness of Canadian life is, to a large extent, due to the freely willed individual and collective initiatives of Canadian citizens.

These citizens look to government to preserve their rights to act and associate together freely. There can be little doubt that government does have a responsibility in this area. Given that voluntary action involves a fundamental expression of these rights, government also has a responsibility to those people engaged in voluntary action. Thus, the Council recommends that:

- (1) THE GOVERNMENT OF CANADA MUST GUARANTEE THE MAINTENANCE OF THE FREEDOM, INTEGRITY AND INDEPENDENCE OF VOLUNTARY ACTION IN CANADA. SPECIFICALLY, IN ALL ITS RELATIONS

WITH THOSE INVOLVED IN VOLUNTARY ACTION, THE GOVERNMENT
OF CANADA SHOULD RESPECT THEIR FREEDOM, INTEGRITY AND
INDEPENDENCE.

The Council believes that it is the responsibility of the
Federal Government to take an active role in encouraging the independence
of voluntary action in Canada and not just tacitly approve, tolerate
or indulge it.

Chapter 2

The Role and Importance of Voluntary Action
in
Canadian Society

INTRODUCTION

Voluntary action in Canada has been a strong and vital component of Canadian life. The Council did not take for granted that this is the case now or would be so in the future. It attempted to study and discuss the role and importance of voluntary action in today's terms. Varying viewpoints were voiced on this issue: on the one extreme some said voluntary action was on the decline; on the other extreme, some said it was the most important activity in Canadian society.

From its consultations and research, the Council noted an enormous amount of activity. Voluntary associations of every conceivable type with every possible purpose are emerging, some to survive for a long time because of their proven usefulness, others to wane after a short, vivid life. Clearly, large numbers of Canadians believe that voluntary action satisfies some basic needs.

Another indication of Canadians' enthusiasm for voluntary action is the dramatic emergence among voluntary associations of large numbers of new activities and vistas of concern. The Cooperstock study,¹

¹ Henry Cooperstock, Relations Between Local Voluntary Organizations and Federal Government Departments and Agencies, Background study prepared for the National Advisory Council on Voluntary Action, 1976.

commissioned by the Council, clearly demonstrated this point with a large and diverse sample of voluntary associations as did that of Lefebvre.¹ Many of these had identified new or neglected community needs and were actively engaged in advocating reforms of existing community services and taking action to set up new ones. Some examples of such innovation include the radically expanded use of volunteer counsellors -- particularly in the corrections field -- and the emergence of multiservice centres, day-care centres and a whole host of new activities in the areas of conservation, the environment and community planning. These studies also show that increasing numbers of associations have been taking stands on controversial issues. In other words, voluntary associations are not merely prepared to provide services: they are also engaging in action, directed either at social change or at influencing political decisions.

A rise in social aspirations has stimulated the recent rapid emergence of community groups in Canada and the shifts in the types of action undertaken by older agencies. This phenomenon is a modern expression of Canadians' desire to shape the conditions affecting their lives. To many volunteers, simple participation is not enough. They need to feel more and more that their efforts are needed and have some impact, that their involvement does make a difference.

It is self-evident that to leave all public matters to elected officials and bureaucrats is to ignore the aspirations of millions of Canadians who wish to participate in decisions affecting them and their communities. It is not enough to formulate programs for the good of Canadians if they do not take part in the process of formulation.

¹ Blaise Lefebvre, Les organismes d'action volontaire francophones canadiens et leurs relations avec le gouvernement fédéral, Background study prepared for the National Advisory Council on Voluntary Action, 1977.

Voluntary action has played a large role in Canadian life and this fact should be understood in all its scope and subtlety before any examination of voluntary action occurs. The Council realizes fully that voluntary action can be its own worst enemy in this respect when it falls back on easy rhetoric and evokes the rather time-worn mystique of the selfless volunteer. Given that the commitment to undertake voluntary action is so personal in its origins, such evocations come all too easily. However, the accomplishments of voluntary action and its potential benefit to Canadian society are such that its value has a much more realistic basis.

PRAGMATIC BENEFITS

Council members encountered numerous listings of the pragmatic benefits of voluntary action. Often, these opinions are put in simplistic terms with very little hard data to support the statements. Typical of such reasons for voluntary action are the following:

- volunteers are less costly than paid staff;
- voluntary associations are more efficient and cost-effective than government bureaucracies;
- voluntary associations are independent and constitute a watch on government, the business community or other institutions in society;
- voluntary action is a useful way to invest one's leisure;
- voluntary associations create jobs and make a significant contribution to the Canadian economy;
- voluntary action has provided an outlet for women to engage in the broader community and to develop skills useful in subsequent voluntary activity or employment;
- volunteers provide a liaison with the community and help the community understand the service agency, and vice versa; and

-- voluntary action helps meet the need for people to be active in the community.

These statements were also sometimes contradicted by those appearing at Council meetings. Voluntary associations, for example, are not necessarily more efficient, less costly or less bureaucratic than government. Indeed, such statements are a complex blend of fact, wishful thinking and shrewd recognitions of potential value. Both solid support and rebuttals are possible in the case of many of these statements. Certainly it is an inescapable fact that the voluntary nature of an activity does not automatically guarantee effectiveness and efficiency.

THE PROBLEM OF QUANTITATIVE ANALYSIS

An analysis of the role and importance of voluntary action and voluntary associations must focus on more fundamental questions, though it is immediately apparent that the potential value of voluntary action is considerable.

Unfortunately, there are few quantitative analyses of the value of voluntary action at present due to the low priority it has received in research. As a result, there are insufficient statistical data to delineate the value of voluntary action in economic or monetary terms. Beyond this, there is a large proportion of voluntary activity which will always remain invisible and unquantifiable no matter how sophisticated our information-gathering techniques become.

However, certain positive steps have been taken in this direction. The Council commissioned a background paper on The Economic

Nature and Value of Volunteer Activity in Canada.¹ In the paper, the author formulated classifications of volunteer activity and voluntary associations which paralleled those used to analyze economic activity, and thus was able to compute the market replacement value of voluntary services -- that is, the work done by volunteers in helping others. He sampled requests for voluntary help made by organizations to the Metro Toronto Volunteer Centre between 1972 and 1975. His conclusion was that volunteers work an overall weekly average of 5.0 hours; and that the value of this type of volunteer work is about \$830 each year for each and every volunteer in 1971 dollars. He also concluded that, based on a conservative estimate of voluntary activities in Canada arising from the Carter Study,² the aggregate value of this volunteer work in Canada constitutes about one per cent of the Gross National Product -- that is, \$1,045,000,000.³

These are useful and interesting figures and represent a considerable advance in our knowledge of voluntary action, given the near total lack of hard data on voluntary activities in Canada⁴ and the difficulty of arriving at such figures. Unfortunately, the lack of data and its inappropriateness for conveying the full value of voluntary action have made it difficult for volunteers to receive the recognition they deserve. Many strongly believe, and the Council concurs, that the value of voluntary action should not just be

¹ Oli Hawrylyshyn, The Economic Nature and Value of Volunteer Activity in Canada, Background study prepared for the National Advisory Council on Voluntary Action, 1976.

² Carter, op.cit., p. 15.

³ Hawrylyshyn, op.cit., p. 60.

⁴ It must be pointed out that the Council's own research studies and papers constitute a significant advance on this knowledge. Much information and data have been collected which provide a solid base for further work on voluntary action in Canada. (See Annex B).

measured statistically, whether by bureaucrats, economists, sociologists or any one else. In other words, both volunteers and the Council wonder how one can measure the real value of caring, sharing and social participation.

THE ARGUMENT FOR VOLUNTARY ACTION

No proof of the social value of voluntary action should rest in the final analysis on cost-benefit analyses or statistical sleight-of-hand. Indeed, the question relates more to value and philosophical beliefs and, like all such questions, its answer rests ultimately on an act of faith. The Council believes that such values as concern, involvement, sharing and social participation are of fundamental importance to Canadian society. It also believes that these values and the skills they require are central to our democratic tradition. Beyond this, the Council would maintain that voluntary action is one of the few remaining avenues in Canadian society where these values can be expressed. For this reason, both the individual and society at large benefit from voluntary action.

In the case of the individual, there can be little doubt that voluntary action is uniquely suited to creating the kinds of personal settings where people alone or in concert can express themselves. Participation in a voluntary association is a matter of free individual choice. Because the element of personal choice is so central to voluntary activity, voluntary associations have to provide personal satisfaction and opportunities for growth to their members, and respect volunteers' contributions or expect to lose them.

Voluntary action often involves people acting together, usually

to attain some sort of practical objective within their community or the society-at-large. Thus, it generally engages the volunteer in a valuable learning experience. In the interaction within his own association and between it and society, he comes to understand the practical meaning of the continuing social dialectic between such values as autonomy and social solidarity, self-fulfillment and a recognition of one's own interdependence with one's fellows. In this way, voluntary action also encourages Canadians to develop and express a sense of responsibility for themselves, their community and their world and to express this responsibility with concern and compassion. In short, voluntary action helps Canadians to grow as citizens. Through voluntary action, they learn to govern themselves and influence the conditions affecting their lives and those of their communities. Potentially, it permits many Canadians -- who otherwise would not have had the chance -- to exercise a direct influence on the formulation and execution of public policy.

For this reason, voluntary action clearly has a broad impact on society and government. More particularly, it brings to bear on social and political activity certain viewpoints and concerns which would otherwise be ignored or not heard.

For example, voluntary action can be a continuing source of social innovation. Government, bureaucracies and established institutions are usually inhibited by their unwieldy organizational structures and their need to satisfy a broad social consensus. Many voluntary associations encounter no such obstacles. As a result, they constitute a forum for initiating new ideas and processes, a place where people can take chances and experiment.

They are also very sensitive to shifts in social patterns and values. Volunteers and voluntary associations are able to put society's

changing perception of itself into concrete form. Often they concentrate on issues relating to the quality of life in a society. Government generally sets minimum standards for services and activity in this area. Voluntary associations in their services and calls for action use such standards as a departure point, and often open up whole new dimensions of concern and responsibility. Indeed, they frequently focus upon and bring to public attention issues which reflect a broadening view of what positively affects the quality of life and thereby raise the standards by which the quality of Canadian life is measured. The women's movement, the many ecological groups and welfare rights organizations have all been very innovative in this area.

The Council has not dwelt on the usefulness of voluntary activity in providing needed programs and services. By supplementing and complementing governmental services, there can be little doubt, however, that voluntary associations enhance the quality of life in Canadian communities. Indeed, government, with its universal standards, often cannot meet the particular needs and permit a personal model of interaction between server and served which large governmental organizations often cannot attain.

The particular needs of a specific group are often of little concern to a majority of the Canadian public and are given a low priority by governmental bureaucracies, government itself and established social institutions. Voluntary action is one of the most important means of ensuring that these minority interests and concerns are not ignored. By articulating minority views and bringing them to the attention of the government and the public, voluntary action performs three important functions.

First, voluntary action acts as a countervailing force to government and other social institutions in this regard. Secondly, it

provides an opportunity for necessary and immediate feedback to these institutions on the broader social and environmental effects of their policies. Thirdly, it provides society with a practical means of experiencing the benefits rather than the negative effects of its own diversity. Voluntary action provides a forum where people can learn, on a practical level, to experience the regional differences within a country like Canada, to understand the tensions between conflicting minority groups, to cope on a personal and practical level with this diversity, and perhaps even to build bridges between such groups. Consequently, voluntary action may help Canadians resist the divisive forces which are at work in the country.

It is worth noting that associations engaged in advocacy are particularly important as articulators of minority views. Though such groups proliferated in the 1960s and early 1970s, they are not a new phenomenon in Canadian history. The moral reform and social gospel movements of the beginning of the century, as well as the many dissenting groups which arose during the depression, all fulfilled similar functions. However, the re-emergence of such groups during the last fifteen years reflected a new desire on the part of hitherto unorganized segments of society to defend their common interests against the perceived encroachments of government and other large organizations. They basically represented an attempt to rectify the political balance in Canada. For this reason, their emergence is creating a more positive environment, albeit one which is somewhat more turbulent. The main function of such groups is to press for reforms, the redress of wrongs and the correction of government oversights which result in injustice to their constituencies. By so doing, such groups enhance the visibility of important social and economic issues, while providing government with a frequently needed second look at its own policies.

The Council was frequently told that representative democracy --

that is, the popular election of representatives to make governmental decisions -- does not adequately permit the people to participate in decisions profoundly affecting their lives in today's complex society. More and more decisions are being made at the administrative levels of government and by regulatory boards, with the result that even Members of Parliament often find themselves only able to react rather than to truly legislate and shape policy constructively.

In this regard, it should be pointed out that no one institution or person bears the full responsibility for shaping life or the form of life in a society. It follows that no one should be excluded from this shaping. For this reason, some form of participation is now recognized more and more as a fundamental human right in Canadian society. It is also recognized that this participation involves something more than simply adjusting one's life to given conditions. Voluntary action is one of the main modes of citizen participation and a basic means for people to gain control over their lives. There can be little doubt that Canadian society must develop an understanding of these new phenomena, and how the growth of voluntary action permits Canadians, both individually and collectively, to be more responsible for their lives.

This process occurs through a variety of activities, groups and institutions which, together, allow a sensitive multi-dimensional response to human needs. There may be a number of ways to accomplish an objective. The exploration of a number of approaches to its achievement may well produce a final outcome which is more useful to everyone. More specifically, if options are available, there is a possibility of more experimentation, fewer ideas being suppressed, and a more effective challenge to the monolithic tendencies of large bureaucracies. Similarly, diversity implies a wider range of choice among goods and services than if large institutions held sole control.

The Council reiterates that diversity necessarily assumes a certain tolerance for those who hold divergent opinions or doctrines. The degree of such tolerance within a society and its government constitutes one measure of their maturity and, more importantly, their commitment to democratic values. This tolerance for disparate views arises from a faith in the fundamental good sense of the ordinary citizen and a respect for other people's dignity and worth.

The Council noticed a growing popular recognition that there should be a much larger degree of voluntariness in all aspects of Canadian life -- even the work world. It is worth pondering whether it is not voluntary activity but rather the involuntary, compulsory aspects of our lives which require justification.

In conclusion, the Council believes that voluntary action is a vital expression of the Canadian way of life. To diminish its importance would drastically change our lives and the Council cannot conceive of a way of life which is identifiably Canadian and would exclude voluntary action. With all its inherent difficulties, it is still the best alternative -- whatever the ethnic, religious, linguistic or regional interest -- by which Canadians can freely continue to produce services, to promote causes and to take actions which are most beneficial in social, economic and cultural terms. The Council, therefore, recommends that:

- (2) THE GOVERNMENT OF CANADA RECOGNIZE AS A BASIC PRINCIPLE
THE FUNDAMENTAL VALUE OF VOLUNTARY ACTION AND COMMIT ITSELF
TO CONCRETE ACTION IN LIGHT OF THIS PRINCIPLE.

Though this recommendation may appear self-evident, the Council discovered that, in practice, the commitment expressed by many elected and appointed officials was often characterized by a reluctant tolerance

or tokenism. This conclusion emerged after the Council's various meetings with government officials at all levels and with politicians of all political parties.

PART 2

The Present Situation of Voluntary Action



Chapter 3

The Environment for Voluntary Action

INTRODUCTION

The vitality of voluntary action in Canada is dependent to a large extent on broad social conditions which are always susceptible to change. If such conditions are absent or only partially present, voluntary action can be discouraged and distorted.

There is little understanding in Canadian society or government of the tenuous nature of voluntary action. Few recognize that subtle changes in social, economic and governmental structures, processes and practices can mean the difference between the flourishing and waning of voluntary action. Even fewer realize that their intolerance for, or indifference to, voluntary action has a reverberating effect and therefore could result in a sharp reduction in the quality of Canadian life. In other words, they do not perceive fully that voluntary activity means responsible action and a concrete self-determined expression of concern and compassion rooted in community relationships and not some externally imposed imperatives. There is no doubt that if such activity is not supported, powerful anti-social forces may emerge and precipitate serious upheavals, as has occurred in other countries.

For these reasons, it is in the interest of both government and citizens to have an understanding of the conditions needed to

encourage and sustain voluntary action in Canada. The preservation, nurturing and even strengthening of such conditions is an important task and one which we all should undertake. In fact, one of the Federal Government's roles should be to encourage voluntary action. The first step in fulfilling that role is acquiring an understanding of the basic conditions for voluntary action.

THE BASIC FREEDOMS

As pointed out in Chapter 1, freedom of action for the individual and freedom of association for groups constitute the basic conditions for voluntary action in Canada. Without these freedoms, Canadians would not be able to choose a preferred voluntary activity or group together in order to carry it out. These conditions, however, do not derive from the state; rather, the state has a responsibility to ensure that these freedoms continue to exist. At present, freedom of association is explicitly recognized in the Canadian Bill of Rights. The Council does not believe that more explicit safeguards are necessary. However, human rights legislation, already developed in some of the provinces and which, as Bill C-25 received first reading in Parliament November 29, 1976, certainly deserves support insofar as it guarantees freedom of action and association.

A second basic condition is the right to dissent in a lawful manner. There are many degrees of lawful dissent varying from constructive criticism of Canadian institutions, laws and policies to peaceful demonstrations. It should be noted here, as is emphasized in Chapter 7, that such a right is meaningless unless citizens have the opportunity and means to compete equally among themselves and with established institutions in influencing government. In other words,

citizens must have access to the resources needed to dissent effectively.

RELATED CONDITIONS

a) For voluntary action to flourish, there should be broadly based and explicit public understanding of its role and importance. In other words, voluntary action must be valued and seen to be valued by society. This deeply felt recognition of the value of voluntary action should pervade society. It should be reflected in civil rights, tax laws, media depictions of voluntary action, the upbringing of the young in home and in school, and in many other areas. There should be a general realization that voluntary action is not an unusual activity in which extraordinary citizens engage, but simply the normal exercise of responsible citizenship. This shared public commitment to voluntary endeavours should be extended to all diverse forms of voluntary action, including those which involve legitimate opposition to government and pressure for social change.

b) It is also fundamental to voluntary action that its participants be able to involve themselves on the basis of their own personal perception of their communities and their social environments. For this reason, one condition for voluntary action is that its participants be able to act independently of government or any established institution.

The need for funds is one factor which does render voluntary associations more susceptible to dependence on government and established institutions, though this need not happen if other favourable conditions are present. In fact, the competition for funds is a fact of life for most voluntary associations. However, all should have an equal opportunity in this competition.

c) A subsidiary and related condition for voluntary action is the removal of unnecessary obstacles, financial and non-financial, to citizen participation in the voluntary action of their choice. Voluntary associations should have the tools and means to encourage individuals to give time and money rather than relying only on the state or some other institution for direct financial or non-financial support.

THE CHANGING CLIMATE

The Council decided that one of the major contributions it could render to voluntary action in Canada was to identify and anticipate major trends in the environment for voluntary action. The Council found that nearly everyone it contacted had different opinions on the degree to which the social climate favoured voluntary action or worked against it. However, certain trends eventually emerged.

A growing number of people, in reaction against the dominance of large established institutions in Canadian society, wish to control their own destinies. Historically, bigness has not necessarily led to improved effectiveness or efficiency; for example, in the fields of human services and education, it has all too frequently had the opposite effect. Out of this suspicion of bigness for its own sake has emerged a growing belief that small is beautiful, that the members of a community should control it, that people should do their own thing, and that they should be able to act with others on their mutual behalf. The whole self-help movement arises very much from the popular conception that government, business and most other organizations are simply too big. By helping themselves and each other, as well as banding together to make their voices heard, Canadians have found new ways of expressing their concern for the direction in which their society is developing. They have also

demonstrated their fear and awareness that large organizations are radically diminishing the power of the individual.

In addition, observers agreed that the social and economic environment for voluntary action is turbulent and unsettling. The phrase, "rapid social change", was encountered again and again. Interpretations of the implications for voluntary action of this turbulent situation varied. Some saw it as an opportunity; others, as a symptom of social disintegration. However, the recurrent question was: Can we mobilize enough of the proper resources to change effectively?

In a period of change, there is also a tendency to downgrade conventional concepts and terms. Bandwagons centred on catchwords and phrases which everyone uses and on which programs rise and fall, come and go very rapidly. In the lexicon of the last few years are such words as "innovation", "participation", "opportunities", and "citizen action". In the 1960s and early 1970s, many new programs were created in response to the disturbed human reality underlying this facile phraseology. Many traditional organizations suffered -- at least for a time -- because they lacked this contemporary image, even though they may have been performing many of the same tasks as the new programs with their catchy titles.

The climate of opinion has, of course, changed during the last few years. The 1960s were a time of seemingly unlimited possibilities. There is concern now about inflation, unemployment, and a weak economy, while talk of burgeoning new possibilities for social change and experimentation has receded. Many social programs have been drastically changed or cut. The uncertainty now about the future is very pronounced.

Voluntary associations have been particularly hard hit by this

new mood of economic pessimism and restraint because their opportunities to compete for funds have diminished. Indeed, representatives of voluntary associations believe that programs supporting their activities are the first to be cut in times of restraint -- whether it is for activities teetering on "the cutting edge of social change" or for basic services.

On the other hand, newer, less visible types of social change are being envisaged. These involve less the ideals and concepts of radical global change current in the early 1970s than a more gradual process of change involving re-thinking and re-working of existing institutions.

The environment for voluntary action, like that for most other forms of endeavour, has been transformed by the growing role of government in Canadian society. The effects of this change upon voluntary action have been both indirect and direct. The increased importance of government has meant a dramatic change in public perceptions of voluntary action. In addition, the direct relationships between government and the voluntary community have increased enormously in both intensity and number.

The increase in governmental responsibilities has meant a curious diminishing in the importance attached to voluntary action by many Canadians. Voluntary action is now generally seen as part of something called "non-governmental activity". In short, government has become the major reference point and looms very large, even in the perceptions of those engaged in voluntary action. Services not provided by paid staff are often felt to be less important. Indeed, the Council found that many, both in government and elsewhere, stressed the professionalism of the paid staff person in contrast to the "amateurism" and, therefore, minimal usefulness of the volunteer.

These attitudes and the public acceptance of an increasing role for government has meant that government has moved into many areas once regarded as the responsibility of those engaged in voluntary action. It has become tiresomely obvious -- though not always entirely accurate -- to say that voluntary associations create activities and services which eventually form part of the public domain.

Yet uneasiness and ambivalence about government has grown with its expansion into new spheres of activity. There has been an increasing number of demands for more participation by citizens in decisions affecting their lives and communities. Government has responded with abundant expressions of intentions to promote citizen participation, to consult more and more with citizens and to share with them in decisions shaping the society of tomorrow. Though representatives of voluntary associations find these statements of good intentions encouraging, they wish that government would implement them more frequently.

In concluding this section, the Council wishes to emphasize that there are two important negative trends in the general climate for voluntary action. First, there is a general tendency on the part of both government and public to view voluntary action in terms of inaccurate stereotypes. Those engaged in voluntary action must help shatter such stereotypes by renewing their own commitment and generating a new and more broadly based public acceptance of their endeavours. Secondly, among voluntary associations, there is a growing uneasiness about their involvement with government. It is apparent that there is a need for those engaged in voluntary action to assess whether the growth of their involvement with government is, in fact, a threat or a boon to their independence. There can be little doubt that the response of voluntary associations to these trends will determine the future direction of voluntary action. In Part III, there will be a more detailed discussion of the influence of government upon voluntary action.

The rest of this chapter will focus upon the ways in which the media, business, employers, labour and educational institutions can contribute in concert with voluntary associations to a favourable environment for voluntary action.

RELATIONS WITH THE MEDIA

There would seem to be little appreciation of voluntary action among the media. In fact, the media tend to see voluntary action in terms of narrow and outmoded stereotypes and do not really understand or value it in all its diversity. This situation is not helped by the fact that many in the voluntary community have not bothered to acquire an understanding of the media and to cooperate with them effectively. As a result of these failures on the part of both the media and people engaged in voluntary action, a large proportion of voluntary activity remains invisible to the general public, a situation which contributes further to the generally low opinion of voluntary action and its role in Canadian life.

Often, media coverage of voluntary activity falls into three patterns. First, the media will tend to concentrate on totally selfless acts presented as "human interest" stories and consequently reinforce the stereotypes about voluntary activity.

Second, controversial issues capture media action as "news" items. Many voluntary groups and organizations recognized this fact in the last 1960s and early 1970s and made headlines by participating in demonstrations, sit-ins, marches on City Hall and many other such highly visible and controversial activities. More recently, native rights groups have come to appreciate the usefulness of the media and have

resorted to the press to dramatize their causes.

Third, the media will cover voluntary activity when they are carefully cultivated by a voluntary association in order to ensure good coverage. For example, fund-raising bodies such as the United Way have made good use of the media to communicate with the public.

Unfortunately, many important but undramatic voluntary activities are largely ignored by the media and thus by the public. In many cases, these invisible activities involve the provision of vital services to the community and really do deserve more media attention and public support. In other cases, they involve new ideas or support social values worthy of communication to the public.

The dilemma is to bridge the gap between these disparate concerns. These are: the media concern with the newsworthiness of what it reports, and the concern of the voluntary community that the public acquire an accurate and comprehensive understanding of voluntary activity. In theory, the gap should be easy to bridge. Voluntary action, viewed realistically, is a sufficiently diverse, dynamic and socially significant phenomenon to generate numerous interesting stories with high news value. The problem is that the media do not appreciate this fact. Clearly, voluntary associations must make a much more serious effort to communicate effectively, the value and reality of their activities to the media. In addition, the media must recognize that they do have a social responsibility to ensure that an area of endeavour as important as voluntary action is well understood by the public.

Concerted efforts by a voluntary association to improve its relations with the media can partially make up for the lack of in-depth reporting on voluntary action which is undramatic but important to the community. Such efforts could include identifying the various media,

acquiring an understanding of their functioning, determining the size and nature of their audience or readership and contacting media representatives. Persons to contact could include everyone from station managers to publishers to producers to reporters on a beat pertinent to the activities of a particular voluntary association. The Council, therefore, recommends that:

- (3) VOLUNTARY ASSOCIATIONS IDENTIFY THE VARIOUS MEDIA IN THEIR COMMUNITIES, ACQUIRE AN UNDERSTANDING OF THEIR FUNCTIONING, DETERMINE THE SIZE AND NATURE OF THEIR READERSHIP AND AUDIENCES AND DISCUSS WITH MEDIA REPRESENTATIVES THE BEST MEANS OF WORKING WITH THE MEDIA AND COMMUNICATING WITH THE PUBLIC.

More than one representative of a voluntary association said that they were uncertain about how to make use of the media effectively. Sometimes, they admitted that they had no one in their association who even knew how to write a press release. In such circumstances, the Council believes that the voluntary association should ask media outlets to help it in developing the techniques for good public relations. For example, The Vancouver Sun, in conjunction with Vancouver radio and television outlets, permits reporters in their own time to assist voluntary associations under the umbrella of the United Way. These reporters teach members of voluntary associations how to prepare information for the media so that it will be used. There is no reason why this precedent should not be followed elsewhere. The Council, therefore, recommends that:

- (4) MEDIA OF EVERY VARIETY ALLOCATE RESOURCES FOR ASSISTING MEMBERS OF VOLUNTARY ASSOCIATIONS TO LEARN EFFECTIVE WAYS OF COOPERATING WITH THE MEDIA AND, IN PARTICULAR, IN PREPARING INFORMATION FOR USE BY THE MEDIA.

Unless the media acquire a true appreciation of the social value of voluntary action in all its diversity, its public image will still reflect the penchant of the media for the controversial and the stereotyped volunteer. In addition, larger voluntary associations will still have an advantage because they will still have the resources to hone their public relations skill to a finer edge. However, the Council believes action on these recommendations will improve the situation and perhaps even assist the media to acquire a better understanding of voluntary action.

Voluntary associations should also utilize more effectively such alternative media as co-operative radio stations, cable TV operations and community newspapers. Each of these has its own peculiarities which voluntary associations should attempt to understand and put to use. Participation by representatives of voluntary associations in the policy boards of these media is one means of ensuring coverage of voluntary activities. However, such participation should ensure equal access to these facilities by all voluntary associations and not privileged treatment of associations with members of these boards.

RELATIONS WITH LOCAL BUSINESSES AND EMPLOYERS

Many voluntary associations regard local businesses as only another source of financial support. For this reason, it should be emphasized that there are many other forms of tangible support which local businesses are the employers of many potential volunteers and consequently can do much in other ways to encourage voluntary activity. Aside from contributing money, local businesses can make a significant contribution to improving the environment for voluntary action.

(a) Local firms have many facilities and other resources which could be made available to voluntary associations. For example, a few businesses have provided assistance to voluntary associations in the selection and training of volunteers. A company may loan associations its personnel and allow them to use premises, audio-visual materials and videotape equipment in the recruitment and training of volunteers. Such activities should be encouraged. However, the initiative for ensuring the availability of such facilities should not rest solely with business. Voluntary associations must also seek out such contributions. Given their obvious usefulness, the Council recommends that:

- (5) LOCAL FIRMS MAKE THEIR PREMISES, FACILITIES AND OTHER RESOURCES MORE AVAILABLE AND ACCESSIBLE TO VOLUNTARY GROUPS AND ORGANIZATIONS.

One means of meeting this objective would be for these institutions to inform local voluntary associations what is available so that together they can develop worthwhile uses for these resources.

(b) At the present time, executives and professionals are usually able to engage in voluntary action during working hours without financial loss. For instance, many companies loan executives to United Ways to help organize the annual campaign in the community.

However, such employees as assembly line or clerical workers often suffer financial penalties for voluntary action during working hours. One company in which this inequality of opportunity for voluntary activity does not exist is the Xerox Corporation. Under its Aide Program, the company permits all of its full-time employees up to four months of social-service leave to work on community projects chosen by the employee and approved by management. At the end of the leave, the employee can return to the same or an equivalent position on the

Xerox staff. Similar programs could well be inaugurated elsewhere. The Council recommends that:

- (6) VOLUNTARY GROUPS AND ORGANIZATIONS EXPLORE WITH EMPLOYERS IN THEIR COMMUNITIES WAYS AND MEANS OF EQUALIZING OPPORTUNITIES FOR VOLUNTARY ACTION AMONG THEIR EMPLOYEES WITH A VIEW TO IMPLEMENTING THE SAME.

(c) Beyond this, as employers, there is another way in which local business can make a significant contribution to an improvement in the climate for voluntary action. Employers should view experience in voluntary action as a criterion in the hiring and promoting of personnel. Employers would not only encourage persons to volunteer but also lend a new dimension of value to public perceptions of voluntary action as a whole. For this reason, the Council recommends that:

- (7) EMPLOYERS CONSIDER EXPERIENCE IN VOLUNTARY ACTION AS ONE OF THEIR SELECTION CRITERIA IN THEIR HIRING AND PROMOTION PRACTICES.

It should go without saying that employees involved in voluntary action in their communities are likely to be more concerned and responsible citizens.

RELATIONS WITH ORGANIZED LABOUR

Organized labour no longer struggles just for better wages and benefits for its members, but also increasingly for improved conditions in society as a whole. In such endeavours voluntary action and labour should be mutually supportive because both their constituencies

and areas of concern overlap.

However, there is a feeling on the part of organized labour that volunteers sometimes compete with workers on the labour market and deprive the latter of jobs. From this perspective, voluntary activity is only a free subsidy to an employer at the expense of the worker who should be getting paid for the work in question. It must be acknowledged that this argument has some weight and that labour does have some sort of case, particularly in large unionized institutions which use volunteers to do a wide variety of tasks. However, it is possible that some agencies and institutions, if they could not get voluntary help, might have to terminate all or some of their services and thus paid jobs might be lost.

There are no doubt some instances of voluntary activity replacing paid jobs. For example, it has been stated that the Local Initiatives Program (LIP) placed many Canadians in jobs which might have been held by paid employees. At the same time, many volunteers argued that often LIP participants were being paid to do jobs for which no remuneration was necessary.

In extreme cases, voluntary associations are very sensitive to the inappropriateness of using volunteers in such a way as to threaten the jobs of paid workers. The Volunteer Bureau of Toronto, for example, had a policy of not sending volunteers into schools during a recent strike of public school teachers.

With ever increasing funding constraints, many voluntary associations are using more volunteers in their programs. If this tendency is viewed in relation to the growing trend towards unionization in the larger voluntary associations, it can be seen that there is a very real potential for serious conflict in the next few years. The Council did not have time to investigate this trend, but views it seriously.

At the same time, some unions do not appear to have demonstrated an understanding of the vital importance of voluntary action, volunteers and voluntary associations. For example, unions might well consider demanding during contract negotiations that their members be allowed to engage in some voluntary action during working hours without financial penalties.

Because of this situation, the Council wishes to recommend that:

- (8) VOLUNTARY ASSOCIATIONS, LOCAL LABOUR COUNCILS AND UNIONS MEET TOGETHER AND SEEK WAYS OF AMELIORATING THEIR RELATIONS, PARTICULARLY IN UNIONIZED INSTITUTIONS BENEFITING FROM THE SERVICES OF VOLUNTEERS.

RELATIONS WITH EDUCATIONAL INSTITUTIONS

Educational institutions can play a major role in improving the environment for voluntary action. They can provide needed research on voluntary action as well as needed facilities and resources. Beyond this, they can encourage both students and teachers to become involved in the community on a voluntary basis.

- (a) At the primary and secondary levels, much could be done to develop useful relations. Pupils could be made more aware of voluntary action in their communities. For example, West Island Volunteer Bureau in Montreal has been discussing the participation of primary school students in projects of community concern sponsored by local voluntary associations. These programs constitute a valuable learning experience, where students gain a genuine understanding of community needs and functions, and learn to participate in the institutions and concerns of

the larger world around them. Thus, the Council wishes to recommend that:

- (9) VOLUNTARY ASSOCIATIONS MEET WITH LOCAL SCHOOL BOARDS AND INDIVIDUAL EDUCATIONAL INSTITUTIONS IN ORDER TO DISCUSS, ENCOURAGE AND ASSIST IN THE SETTING UP OF VOLUNTARY PROGRAMS AND PROJECTS INVOLVING STUDENTS IN COMMUNITY ACTIVITIES INSIDE AND OUTSIDE THE SCHOOL.

There can be little doubt that such activities would contribute to the achievement of the long recognized goal of integrating the school and the community.

In many primary and secondary educational institutions, teachers lack the necessary information and instructional materials for informing pupils about voluntary activities in their communities. Voluntary associations should prepare such information for teachers, perhaps with the help of local media and businesses. In fact, the Council recommends that:

- (10) VOLUNTARY ASSOCIATIONS, INDUSTRY AND THE MASS MEDIA COOPERATE IN PREPARING WRITTEN AND AUDIO-VISUAL MATERIALS FOR USE BY TEACHERS IN ASSISTING THEIR STUDENTS TO BECOME MORE AWARE OF THE OPPORTUNITIES FOR VOLUNTARY ACTION IN THEIR OWN COMMUNITIES.

School boards in the Province of Quebec now provide funds and facilities to voluntary associations wishing to set up training and upgrading courses for their members. Some school boards also render school facilities available for use by voluntary associations. Often such premises, facilities and resources are left idle during evenings, weekends, holidays and vacation periods. These facilities could be put

to good use by voluntary associations if they were made available and potential users so advised. Such measure would not be costly either to the educational institution or voluntary association. The Council, therefore, recommends that:

- (11) EDUCATIONAL INSTITUTIONS RENDER THEIR PREMISES,
FACILITIES AND OTHER RESOURCES MORE AVAILABLE AND
ACCESSIBLE TO VOLUNTARY ASSOCIATIONS.

One means of meeting this objective would be for educational institutions to inform local voluntary associations what is available and ask them to suggest worthwhile uses for these resources.

(b) Educationalists are increasingly recognizing that education does not end with a student's departure from school but is a lifelong experience. Some educators even go so far as to say that experience outside the classroom is a much more valuable source of learning than the teaching which occurs inside its four walls. Despite the growing consensus on these matters, many educational institutions still do not consider experience in voluntary action as a qualification for entry into related courses or curricula of study. This refusal is difficult to understand, given that voluntary action provides a wide variety of experience in the dynamics of human interaction which could be relevant in any number of areas. Such a step would also give the general public a greater appreciation of voluntary action in Canadian society. The Council, therefore, recommends that:

- (12) EDUCATIONAL INSTITUTIONS INCLUDE EXPERIENCE IN
VOLUNTARY ACTIVITY AS ONE OF THE CRITERIA FOR ADMISSION
TO A WIDE VARIETY OF COURSES.

In writing to post-secondary institutions across the country,

the Council discovered that there is relatively little research on voluntary action. One notable exception was the area of citizen participation in urban planning. Clearly, there is a need for more research in the area of voluntary action.

It is not enough simply to increase the quantity of research on voluntary action carried out by post-secondary institutions. The usefulness of that research to those engaged in voluntary action should also be a consideration. Much research by academics is far too theoretical to be of any practical value to voluntary associations. Usually, voluntary associations and citizens' groups need research which will help them discover a practical means of responding to some situation they face.

"Participation research", or "action research", is one mode of research which voluntary associations, and particularly citizens' groups, have found extremely valuable. It employs interviews, questionnaires, participant observation, documentary search and content analysis to produce an in-depth view of a given community. However, qualitative information, hard data, observations and tentative hypotheses are fed back into the community throughout the research project. Its goal is, therefore, not just to acquire an understanding of the community, but to influence that community by helping it to understand itself. Both the study itself and the community are strengthened by this interaction and the reflexive understanding which it produces.

In universities, there are many disciplines which relate directly to the activities in which voluntary associations are involved. These include psychology, sociology, political science, adult education, recreology, physical education, urban studies, environmental studies and a host of others.

The Council surveyed the course offerings of universities across

Canada and discovered that very few focus in an in-depth manner on voluntary action. For example, the sociology department at St. Mary's University in Nova Scotia has an undergraduate course at the present time on citizen participation in communities. The Centre for Human Relations and Community Studies at Concordia University in Montreal has an entire interdisciplinary program devoted to examining the social environment and human dimensions of organizations. The Psychology Department in St. Patrick's College at Carleton University in Ottawa has a continuing program in the correctional area in which students work with prisoners. The University of Alberta has an inter-disciplinary M.A. program which focusses on community development. These courses and programs, however valuable, represent the exception rather than the rule. The Council believes that there is a clear need for more and better academic courses relating to voluntary action at the university level.

Professional schools of social work do not have much better a record. There are the usual exceptions. The School for Social Work at the University of Regina requires its students to have a practical understanding of how voluntary associations function before it gives them a degree. The Faculty of Social Work at Wilfred Laurier University trains its students to work with volunteers and offers a wide range of courses dealing with voluntary action as a whole. It is unfortunate that most other schools of social work do not have similar courses and degree requirements, given that their graduates will all too often have extensive direct contact with volunteers.

Clearly, there is considerable need for greater emphasis upon voluntary action in the curricula of post-secondary school. Such a change would not only enable professionals in related fields to work more effectively with volunteers. It could also lead to a wider recognition of the value of voluntary action to Canadian society.

If post-secondary institutions can provide courses on voluntary action, there is no reason why they cannot also provide training programs for volunteers. Some universities and community colleges, as well as centres for adult education and other more specialized educational institutions, have already set up such programs. The creation of such courses to complement those in institutions where volunteers work, would not only be a useful response to the training needs of volunteers but would also constitute a recognition of the specific skills and experience often required for voluntary action.

At the university level, there are few such programs. The Centre for Human Relations and Community Studies at Concordia University offers a whole series of degree programs for volunteers and the paid staff of voluntary associations. More specifically, these courses are intended to improve the human relations skills of volunteers and staff, as well as giving them some insight into the human value of voluntary action. The Centre collaborates with local voluntary associations in developing these courses.

A similar approach is taken in two programs at St. Francis Xavier University in Antigonish, Nova Scotia. Its extension department offers courses in leadership skills and labour education which involve small groups in studying their own problems according to their own priorities, with a view to subsequent group action on these matters. The Coady International Institute, also based at the university, offers diplomas in social development and social leadership in developing countries to members of voluntary associations with an international orientation. There can be little doubt that more universities should collaborate with voluntary associations in developing such volunteer training programs.

Community colleges and the Collèges d'Enseignement Général

et Professional (CEGEPs)¹ in Quebec are expected, by their very nature, to respond to community initiatives. Consequently, many community colleges and CEGEPs have co-operated with service agencies and volunteer bureaus in developing course for local volunteers.

For example, Mohawk College will give a volunteer service certificate to volunteers who participate in courses on self-development, community studies and group processes and communications, as well as some aimed at upgrading skills in leadership, accounting, citizen action, child psychology, family services, recreation, and work with the aged, disadvantaged groups and minority groups. The college also offers courses on women in local politics and leisure education as well as training for amateur coaches.

Holland College in Charlottetown has gone even further. It has created the Prince Edward Island Leadership Institute which has set up 170 programs in collaboration with 90 voluntary association. With a mandate to develop leadership skills at all levels of society, the Institute also involves business and government in the creation of its programs. In fact, all members of the community may participate. Associations convey their training needs to the Institute which in turn sets up courses meeting those needs and arranges meeting between instructors and volunteers to determine the exact content of the course. Courses are offered during the day, at night or on weekends, depending upon the needs of the association and the schedules of the volunteers to be trained.

Centres for adult education have also been quite responsive to the training needs of people engaged in voluntary action. For example, the Centre for Continuing Education in Vancouver offers seminars for

¹ These are roughly the Quebec equivalent of community colleges.

staff co-ordinators of volunteers working with older people, courses on the best use of volunteers, workshops on the supervision of volunteers and the development of training programs for volunteers. The Centre also places a great emphasis on methods of ensuring good relations between paid staff and volunteers.

At the post-secondary level, there is clearly a need for more volunteer training courses than exist at present. Such courses must of necessity be a response to the needs of volunteers and voluntary associations. They should also be scheduled so as to ensure that volunteers are able to attend. If this training is to be useful to the voluntary community, the staff in post-secondary schools must have some rapport with voluntary action both as a phenomenon and in its specific manifestations. However, as with the media, there is a need for voluntary associations to improve radically their community with educational institutions.

It should be apparent by now that post-secondary institutions could be doing much more to encourage voluntary action in Canada. They could be carrying out much more research on voluntary action in order to discover how and in what areas it can operate most effectively. They could be improving the general understanding of voluntary action by providing courses on the various aspects of voluntary action. Finally, they could be providing useful training to volunteers to ensure that they carry out their activities efficiently and effectively. The Council, therefore, recommends that:

(13) POST-SECONDARY INSTITUTIONS:

- i) PROVIDE, PARTICULARLY AT THE UNIVERSITY LEVEL,
MORE OPPORTUNITIES FOR RESEARCH INTO VOLUNTARY
ACTION IN CANADA;

- ii) CONSIDER INCREASING THE ALLOCATION OF RESOURCES TO TEACHING ABOUT VOLUNTARY ACTION AS A LEGITIMATE AND VITAL COMPONENT OF CANADIAN SOCIETY; AND
- iii) PROVIDE MORE OPPORTUNITIES FOR LEARNING SKILLS ASSOCIATED WITH VOLUNTARY ACTION, INDIVIDUAL AND COLLECTIVE, SUCH PROGRAMS BEING DEVELOPED IN COOPERATION WITH INDIVIDUAL VOLUNTEERS AND VOLUNTARY ASSOCIATIONS.

The Council further recommends that:

- (14) VOLUNTARY ASSOCIATIONS TAKE SOME INITIATIVE IN APPROACHING POST-SECONDARY INSTITUTIONS WITH THE FOREGOING GOALS IN MIND.

Exchanges are another excellent method of improving communications between voluntary associations and educational institutions. There is no need for money to change hands. Staff members and volunteers would welcome opportunities to describe their programs to classes studying related areas. Similarly, voluntary associations have a right to expect the faculties of post-secondary schools to contribute freely some of their time and energy. For example, faculty members involved in exchanges could work full time over a short period in the offices of the voluntary association, while the volunteer or paid staff member in the voluntary association could do the same in the post-secondary school. Such brief sabbaticals in a novel environment would provide ample opportunity to persons from each institution to observe, react, influence, be influenced and be renewed. This arrangement should ideally be implemented at the community level so that its administration would not be too complex or costly. The Council, therefore, recommends that:

- (15) VOLUNTARY ASSOCIATIONS INITIATE DISCUSSIONS WITH RELEVANT POST-SECONDARY SCHOOL FACULTIES TO DEVELOP PROGRAMS OF EXCHANGE AND RENEWAL CONDUCTIVE TO CHANGES IN ATTITUDES TOWARDS VOLUNTARY ACTION.

RELATIONS WITH OTHER INSTITUTIONS

There are, of course, other institutions which affect the environment for voluntary action in every community. Such institutions as churches, service clubs and municipal governments possess facilities, premises and equipment which could be put to good use by voluntary associations.

Some service clubs, for example, have set up specific programs to provide needed equipment for the use of voluntary associations. Associations caring for handicapped children are one example of beneficiaries under this program. It should be noted that this study does not focus upon service clubs, though they constitute a significant form of voluntary activity. However, it should be emphasized that service clubs fund many projects run by other voluntary associations; loss of this resource could be widely felt.

In the last 15 years, churches have provided an increasing amount of assistance to certain groups: the aged, immigrants and children of working mothers. The churches have also supported many community development projects. Some would say that such support is a matter of too little, too late and patchy at the best of times. Others go even further, claiming that churches and other major institutions have abdicated their responsibility for much too long. On the other hand, many stated that churches continue to be an important force in

creating a healthy climate for voluntary action. The Council noted that the churches' influence, both direct and indirect, through their auxiliary activities is very extensive. Indeed the impact of the churches on Canadian life has been so far-reaching that it could not be adequately studied within the Council's two-year mandate.

Municipal governments have continuing relationships with a host of citizens' groups and sometimes make premises, facilities and resources available to voluntary associations. Such assistance and responsiveness is important because municipal governments are, of course, the level of government which, at least in theory, is supposed to be closest and therefore most sensitive to the needs of people in local communities.

The Council wishes that it could state that, generally, the assistance provided by churches and municipal governments to voluntary action was ample. However, this is simply not the case. Some churches and some municipal governments have excellent records in this regard; others do not. For this reason, the Council recommends that:

- (16) LOCAL CHURCHES AND MUNICIPAL GOVERNMENTS MAKE THEIR PREMISES, FACILITIES AND OTHER RESOURCES MORE AVAILABLE AND ACCESSIBLE TO VOLUNTARY GROUPS AND ORGANIZATIONS.

Chapter 4

The Internal Climate of Voluntary Action

INTRODUCTION

A fair and adequate discussion of voluntary action must of necessity include an overview of volunteers and existing voluntary associations. It must examine their perceptions of their activities, the problems they face and the realities which they experience. However, this report does not constitute the final word on voluntary associations or individual volunteers nor does the council presume to speak for them. Rather, in its consultations and research, the Council attempted to gather and collate their opinions, perceptions and recommendations. Thus, the Council's report is, in fact, only a first phase in a continuing analysis of this dynamic human process.

The general picture is subtle and contradictory and can best be introduced by a series of questions. Who are these volunteers and has their participation in voluntary action changed over the years? Is the training of volunteers really necessary and, if so, how can such training be effectively conducted within an organization or group? Are the internal operations and structures of voluntary associations conducive to both efficient action and a satisfactory experience on the part of volunteers? The Council's response to these and other questions is as follows:

THE CHANGING NATURE OF THE VOLUNTEER

Have there been changes recently in the types of persons who volunteer? Why are certain voluntary associations less successful than others in finding volunteers? Why do some persons quit voluntary action and others never participate at all? No Canadian analysis seems to have fully explained why people join or leave voluntary associations. One obstacle to providing a comprehensive answer to such questions is the lack of sufficient hard data on voluntary action. Within the limits of its data, the Council examines here the factors affecting the tendencies of men, women, youth and the elderly to volunteer.

At present, the perception of male participation in voluntary associations is inaccurate. Most observers seem to believe men occupy only the influential positions on boards of directors. Many people hold the erroneous belief that there are few male volunteers but those there are have excessive influence. In short, the male volunteer has been stereotyped as a policy-maker. However, the public fails to recognize the hours and energy spent by hundreds of thousands of men in voluntary activity right across Canada. One has but to consider service clubs and fraternal associations to realize that large numbers of men participate in voluntary activity. In addition, associations in the sports and recreation areas depend upon active participation of large numbers of men, as do many community associations and self-help groups. Clearly, voluntary action is not just a female prerogative. Indeed, the Carter study which examined a national sample of volunteers suggested that almost 50 per cent of those involved in voluntary activities are men.¹

¹ Novia Carter, op.cit., p. 17.

Women, on the other hand, have long been identified with voluntary action. For this reason, the public perception of volunteers is very much tied to the image of women. In the past, the role of women was generally seen in terms of serving and nurturing. Voluntary action was perceived as the best means for women to fulfill their need to be socially useful. An equally important explanation of female involvement is that, until recently, large numbers of women remained outside the labour force and thus had more time to engage in voluntary action. In these circumstances, it was viewed as socially acceptable, even laudable, to spend extensive hours as a volunteer because paid work was unthinkable for women unless there was desperate economic need. However, it should be noted that the financial circumstances of women from lower-income groups were often such that they had little alternative but to work and therefore little time for voluntary activity.

Out of this cultural pattern grew the stereotype of the "Lady Bountiful". Volunteer women were typed as middle or upper-class "do-gooders" with an acute conscience and too much time on their hands. This labelling is and was unfortunate, given the considerable number of outstanding women from many walks of life who made contributions in many fields.

However, the reality in most traditional voluntary associations is that women -- whether from lower, middle or upper income groups -- often performed routine tasks which took on a menial connotation in the eyes of the public, if not among the people actually carrying out these tasks. At the same time, control, as in most other areas of endeavour, rested with men. This fact was indicative of the social, economic and political standing of women in society in those times.

The women's movement has in the last 10 years caused many women to question traditional roles. One effect of this ferment was

that demands emerged in North America for a change in the role of the female volunteer. The questions raised by such American organizations as the National Organization of Women were echoed within Canada in the criticisms of voluntary action made by many feminist groups.

Some feminists now argue that women should only be engaged in change-oriented voluntary action because the provision of voluntary services involves nothing more than exploitation of women. In addition, rather than participating in voluntary action, they point out that women should join the labour force and get paid for their efforts. They also emphasize that those voluntary services which women have provided are essential and should therefore be paid for by society. There is some truth in this proposition, though it could be applied to both men and women.

The women's movement itself is an excellent example of voluntary action in the sense that the Council is using the term. It is ironic that women so involved often do not perceive their action as voluntary. Many, who in the past would likely have become volunteers, are now moving into paid jobs in their search for personal self-realization and remuneration for their efforts. Representatives of some voluntary associations -- such as the Junior Leagues -- told the Council repeatedly that they were experiencing a decrease in volunteers. Perhaps the more traditional associations will have to re-adjust their methods of operation in order to accommodate the new modes of voluntary action by women.

Equally important, women involved with voluntary associations no longer accept their exclusion from policy decisions and demand representation on boards and policy committees. In addition, they now insist that the status and content of their voluntary service be upgraded and that new procedures be set up in order that they may both

work and volunteer. This reform is long overdue. The Council, therefore, recommends that:

- (17) VOLUNTARY ASSOCIATIONS AND INSTITUTIONS INVOLVING VOLUNTEERS TAKE STEPS TO GENERATE GREATER OPPORTUNITIES FOR THE PARTICIPATION OF WOMEN IN FORMULATING POLICY FOR, AND EXERCISING REAL CONTROL OVER, THE DIRECTIONS TAKEN BY THE ASSOCIATIONS TO WHICH WOMEN BELONG.

Voluntary associations must learn to seek out and manage volunteers' time more effectively, instead of relying so much on fund-raising to meet new needs. In other words, they must learn to accommodate a new type of volunteer, for the expectations about voluntary action of men and women have been changing rapidly. In more practical terms, they should realize that most potential volunteers now wish to lead active working lives and are therefore usually unavailable for activities organized for mid-afternoon. Unless such changes are made voluntary associations are going to have an increasingly difficult time recruiting volunteers, whether they be young women or blue-collar workers.

Young persons will not generally be attracted to voluntary activity unless their perspectives on life are understood and efforts made to involve them in the planning and defining of voluntary activity. The present levels of unemployment among young persons also underscore the need for voluntary associations (a) to provide young persons with practical experience useful in the pursuit of future jobs, (b) to provide services and feasible alternatives to employment for young persons, and (c) to adapt their operations in order to permit greater involvement by young persons in voluntary activities.

In the case of elderly persons, a new impulse towards

voluntary action has emerged in the last five or six years. One example of such new groups is the Senior Consultants, a non-profit organization in Toronto. Its objective is "to declare war on the rocking-chair, folded-hands syndrome and at the same time serve community needs".

Clearly, there is a new sense of self-assertion among the elderly, a belief that they have something valuable to contribute both to society and to themselves. For example, Foster Grandparents, a senior citizens' group in Toronto, provides a program in which elderly persons serve as advisors to children and juveniles. Heritage Canada, a foundation dedicated to the preservation and conservation of Canada's man-made and natural heritage, is now recruiting senior citizens' groups to work on preservation projects.

The Council believes that such programs are valuable and that more efforts should be made to involve the elderly voluntary activity. Such activity helps to give the elderly the sense that they are participating in the mainstream of life, and not set aside because of their age. The latter verdict is clearly unjust, given that the elderly have a lifetime of experience and skills which society can ill afford to lose. However, in recruiting and utilizing the elderly, voluntary associations and government must show some imagination. They must support activities which are of interest to them and schedule such activities so that it will be convenient for the elderly to participate.

Thus, with the newly emerging volunteer -- whether a young woman, a man, a youth, or an elderly person -- it is imperative that voluntary associations manage time so as to be able to attract and utilize such people effectively. Voluntary activities must be shaped so as to attract this type of volunteer. In addition, even in the scheduling of the time during which volunteers will render their contributions, voluntary associations must take into account the whole

range of commitments, interests and concerns of each individual volunteer. If voluntary associations fail to take this step, they will be ignoring a large pool of potential and may even experience a serious decline in voluntary support, despite the ongoing relevance of their cause. For this reason, the Council recommends that:

- (18) VOLUNTARY ASSOCIATIONS, IN ESTABLISHING THEIR PRACTICES AND PROCEDURES, ENSURE THAT THEY ACCOMMODATE VOLUNTEERS WITH NEW LIFESTYLES AND DEMANDS.

TRAINING AND RENEWAL OF VOLUNTEERS

For the following reasons, the Council recommends that:

- (19) VOLUNTARY ASSOCIATIONS RECOGNIZE THE TRAINING OF VOLUNTEERS AS A PRIORITY.

This subject of training volunteers was mentioned again and again by representatives of voluntary associations contacted by the Council. There are two types of goals which such training can achieve. The first is an improvement in the awareness and attitudes of the volunteer. The second is the provision or enhancement of special skills and knowledge.

In the Cooperstock study commissioned by the Council, it was discovered that 41 per cent of 195 local associations believe the best way to train volunteers is to have them work with other volunteers, whereas 35 per cent of the sample argued that on-the-job training supervised by professional staff was the best way to produce a volunteer with the necessary skills. More strikingly, 34 per cent of the

associations sampled stated that training of volunteers would be an important use for government funds.¹ In the Canadian Council on Social Development study, 35 per cent of a large sample of volunteers said they would have benefited from more training and were willing to undertake such training, if it was available.² Clearly, the training of volunteers deserves careful consideration.

The success of any voluntary action depends on the skill, expertise and commitment of its volunteers. The vitality of the associations hinges on its people learning what they are doing and being committed to it. It should not be forgotten that some types of voluntary activity require more skill and training than others. In addition, since more and more people participate in voluntary action in order to experience personal development and acquire new skills, it is predictable that the need for some type of training in a volunteer program will grow.

One major underlying issue, however, is whether volunteers' tasks within an association are challenging or not. There was no unanimous response to this question, but the answer given seemed to depend on two key factors: the volunteer's motives and expectations, and the association's efforts to create challenging opportunities.

If volunteers find a task unchallenging, they should examine their reasons for volunteering and decide whether it is not time for a change. However, the onus should not rest solely on the individual volunteer. Perhaps he is being called upon to do work which is beyond his competence. Perhaps he is frustrated or confused because the association has failed to explain how he fits in and in what way his

¹ Cooperstock, op.cit., p. 41.

² Carter, op.cit., p. 96.

efforts are relevant to the objectives of the association. Clearly, the association should be responsible for ensuring that the volunteer understands the usefulness of his contribution. Such knowledge might render his experience more personally satisfying and therefore more challenging.

Thus, in addition to acquiring skills through training, volunteers have to be inspired with a renewed sense of commitment to the job at hand. Another way of renewing this commitment would be to set up periodic "retreats" during which volunteers and staff would go into seclusion together for a few days, away from office and family responsibilities. Prerequisites for the success of such endeavours are, of course, commitment, planning and funding to cover living expenses.

Often attendance at conferences and meetings can fulfill a similar function. Such travel affords an excellent opportunity on an informal level for testing new ideas, remotivating staff and volunteers and experiencing the perspectives of those from outside one's immediate locality. Unfortunately, such budgetary items are usually cut first in times of restraint. Voluntary associations should recognize that such opportunities for renewal are needed and specifically seek funds for such purposes.

Opportunities for study can also serve as a method of renewing the interest of the individual volunteer. Few volunteers can afford to attend university or community colleges full-time for such purposes. However, part-time or evening courses are a possibility. For these to be useful, voluntary associations must make every effort to initiate with educational institutions the genuinely collaborative exchanges of views recommended in the previous chapter. Action on this recommendation will go a long way towards ensuring that volunteers have truly stimulating opportunities for renewal and are adequately recognized for their

contributions. It is also essential that financial supporters of voluntary associations recognize as legitimate the expenses incurred for the renewal and training of volunteers.

RELATIONS BETWEEN PAID STAFF AND VOLUNTEERS

An ongoing dialogue over the respective roles of staff and volunteers and their interaction is needed in most voluntary associations. At the present time, there are some associations where the volunteers set the policy and the staff execute it. In others, volunteers run the association, but from time to time may hire consultants or staff. In yet others, the staff runs the associations. There are also examples of volunteers working in non-voluntary institutions or acting as advisors to government.

In each case, the volunteer's relationship with the paid staff will differ, as will the resulting problems. In this section, the focus will be upon harmonizing the concerns of the individual volunteer and staff within the voluntary association.

The very essence of a voluntary association is that it is controlled by volunteers. Ultimately, the officers elected by volunteers must have real control over policy or the association is not voluntary. Even when this principle is well accepted in the agency, there will still be disagreements over the effective use of volunteers in actual programs. Programs requiring cooperation between paid staff and volunteers fail fairly often. The reasons for the failure generally lie with the way the association deals with its volunteers at the program level. These sources of failure can be described as follows:

- (a) The need to which the program addressed itself could not

really be met appropriately by volunteers providing services;

- (b) The decision to use volunteers was not shared by the staff;
- (c) There was a failure to think fully through the goals, job descriptions and qualifications of volunteers;
- (d) Volunteers were underqualified or overqualified for the tasks to which they were assigned;
- (e) Volunteer training was inefficient, inappropriate and not shared by supervisors;
- (f) Recruitment of volunteers was inefficient and ineffective; and
- (g) There was little recognition of the contribution made by volunteers, with the result that they felt taken for granted or merely tolerated in the association.

Other difficulties relate to the way associations deal with staff:

- (a) Associations hire staff people who are qualified in their expertise but lack a real commitment to voluntary action or are not given the background material and training necessary to understand the philosophy, goals and voluntary nature of the association;
- (b) Associations fail to train staff to work with volunteers in terms of their mandate and job as an association; and
- (c) Associations fail to give proper credit to the staff for successes in the program.

Often the problems stem directly from staff attitudes:

- (a) Staff may be critical of volunteers' effectiveness. Such dismissals of their usefulness are fairly frequent and may arise

from an underlying fear that a true appreciation of volunteers' efforts might render the professional staff expendable. A contributing factor is the very real question now being faced by some associations about whether to use more volunteers and less hired staff in their programs;

- (b) Professional staff may not take kindly to suggestions about how to improve its performance from a volunteer with no special training. Such aggravations come to a head over the questions of who actually controls the association, the trained professional or the unpaid volunteer; and
- (c) Paid staff may also question the commitment and seriousness of volunteers who cannot be fired, who can come and go when and if they please and who can choose not to do any task which has been assigned.

Some problems stem directly from volunteers:

- (a) Some volunteers take strong personal positions which are not always in their association's best interest;
- (b) Volunteers tend to come in on their own terms without recognizing that give and take within the association works both ways;
- (c) Voluntary associations fail to train volunteers to work with staff; and
- (d) Volunteers fail to share credit with staff for successes in the program.

All these potential sources of difficulty should be considered by voluntary associations when they are setting up programs in which volunteers will be used. There must be a clear recognition that volunteers, staff and the association suffer when a program misfires and

therefore all should participate in solving any problems.

Conflicts between staff and volunteers are usually complicated by the new value placed on professionalism. For example, some volunteers may claim that they are always more effective than paid professionals because they are capable of relating in an honest and human manner with the persons they are serving. They state that no professional role-playing or hidden economic motives should intervene between the volunteer and his client. The paid professional replies that he or she can be more effective because of experience, training and skills. Such attitudes frequently cause conflict between the paid professional staff and volunteers within an association.

This tension could be reduced by clear definitions of the respective roles of volunteers and paid staff, and by good management of professional and volunteer resources. The services provided by volunteers must be a planned part of the program at every stage from recruitment to training to the actual deployment of the volunteers and staff. The harmonization of the needs and skills of volunteers and paid staff in one structure does not occur spontaneously. It requires conscious planning, careful organization and subtle human relations skills.

For these reasons the Council recommends that:

- (20) VOLUNTARY ASSOCIATIONS CLEARLY DEFINE IN WRITING THE ROLES AND RESPONSIBILITIES OF BOTH STAFF AND VOLUNTEERS IN THE ASSOCIATION AND, MORE IMPORTANTLY, THE INTER-RELATIONSHIPS BETWEEN THE TWO.

REMUNERATION AND COMPENSATION FOR VOLUNTEERS

The question of remunerating or compensating volunteers for their efforts and expenses has been discussed endlessly by the members of many voluntary associations, not to mention this Council. Some tend to argue that the issue has received too much attention at the expense of matters more basic to the entire voluntary endeavour. Some of the more traditional volunteers see the question of compensation for volunteers as entirely unnecessary, given their belief in the altruism underlying the motives for voluntary action. The more pragmatic point out that the issue is simply a matter to be worked out by each voluntary association with its own volunteers.

The issue is not just organizational by any means. It is important that individual volunteers be able to ask for compensation for expenses incurred without feeling that their motives are suspect. After all, voluntary action can be expensive. There can be the cost of baby-sitters, transportation or meals, and loss of wages. There is also no reason to believe this situation will change. Indeed, if anything, it is becoming more acute because more and more people from all walks of Canadian life are volunteering.

Council believes that each voluntary association should decide its own policy for the payment of volunteers' expenses. Where appropriate, such expenses should be paid by the association. However, some voluntary associations do not accept this view. Others accept it, but lack the necessary funds. Others may have the funds, but do not wish to use them for this purpose. Such expenses also tend to be among the first victims of any budget cuts.

The Council approaches this matter very pragmatically. It believes that, to the greatest degree possible, obstacles to volunteering --

particularly financial ones -- should be removed. In other words, people should be able to give of their time and energy at the least possible cost to themselves. There is a growing awareness that time is an expense and, particularly in a period of rising costs and economic uncertainty, volunteers will need to become more discriminating as to how they use their hours. This trend could have a significant effect on voluntary action.

There are two basic principles which should be weighed against each other by voluntary associations in this whole area of reimbursement. First, the individual volunteer should feel free to ask for reimbursement of reasonable expenses he has incurred because of his voluntary activity. Second, the association should, as a matter of principle, develop a policy of reimbursement for all its volunteers. The ability of the voluntary association to pay often supersedes the above two principles.

A related issue is that sometimes associations are insensitive to the need to cover expenses which a majority of their members view as negligible but a minority would see as prohibitive. Such a policy clearly restricts membership to those who can bear the cost.

The Council recognizes the existence of one method by which many voluntary associations compensate volunteers for out-of-pocket expenses. When the volunteer incurs such expenses, he claims them from the voluntary association which in turn pays the expenses. The volunteer then gives an equivalent amount of money to the association, which in turn gives him a charitable receipt for tax purposes. This procedure is practicable if the voluntary association is registered and has a charitable number.

Unfortunately, not all associations are registered for tax purposes. More important, some volunteers need the expense money for living expenses and simply cannot afford to receive only the tax

benefit. This practice is also unfair to persons who cannot get a tax advantage -- that is, the volunteer from a lower-income group. To these volunteers, this approach also often seems bewildering and intimidating.

As a result of all the foregoing factors, the Council recommends that:

- (21) ASSOCIATIONS INVOLVING VOLUNTEERS DEVELOP CLEAR POLICIES TO COVER THE EXPENSES OF VOLUNTEERS. A FIRST PRINCIPLE IN SUCH A POLICY SHOULD BE TO INFORM NEW VOLUNTEERS ABOUT THE EXACT NATURE OF THE POLICY AS IT APPLIES TO THEM. A SECOND PRINCIPLE SHOULD BE THE PAYMENT OF THE EXPENSES OF THOSE VOLUNTEERS WHOSE INVOLVEMENT WOULD OTHERWISE BE CURTAILED OR HALTED ALTOGETHER.
- (22) ASSOCIATIONS INVOLVING VOLUNTEERS BE ALLOWED TO INCLUDE VOLUNTEERS' EXPENSES IN THEIR BUDGETARY SUBMISSIONS TO FUNDING BODIES. THE FUNDING BODIES SHOULD RECOGNIZE THESE EXPENSES AS LEGITIMATE DISBURSEMENTS FOR VOLUNTARY ASSOCIATIONS, AND AS A PRIORITY FOR VOLUNTEERS WHO CANNOT COVER SUCH EXPENSES OR BENEFIT FROM A TAX RECEIPT.
- (23) ASSOCIATIONS RECOGNIZE THE NEED FOR CHILD-CARE SERVICES, WHETHER BY PROVIDING SUCH SERVICES ON LOCATION OR BY RECOGNIZING THE PAYMENT OF VOLUNTEERS' EXPENSES IN THIS AREA AS A LEGITIMATE ITEM TO BE INCLUDED IN THEIR BUDGETS.

The issue of remunerating volunteers for contributions of time is much more complex, whether it is done directly by the association or, as was suggested quite often, through a tax credit. First, it is far from obvious that a volunteer is still a volunteer if he is paid for his time as a volunteer. Second, with a tax credit,

the system of accounting to the government for such time would be an administrative nightmare, given the large numbers of voluntary associations across Canada. The suggestion that government cover such costs also raises the spectre of "paying" volunteers for their time. The Council believes that such an approach would also mean that volunteers giving time would no longer be dealing directly and exclusively with their voluntary associations. In short, this approach runs counter to the very nature of voluntary action.

EVALUATION OF VOLUNTARY ACTIVITIES

Many voluntary associations have become increasingly concerned about their continuing effectiveness in meeting the needs of their members and clients. Often, as an association ages, the needs of the community or clients it serves begin to take second place to such administrative and organizational concerns as fund-raising, publicity and staff responsibilities. Research reveals that voluntary associations can grow just as bureaucratized and unresponsive to their clients as government agencies or business firms.

The response of the persons served by such agencies has in many cases been to form self-help groups. Frustrated by their apparent exclusion from decision-making and the insensitivity of the original agency to their needs, some "clients" have set up parallel agencies and programs which they themselves control. These new agencies and programs are intended to serve the same clientele in a different manner or to serve a clientele neglected by the established agency. Unless the established agencies can implement some adequate plan for increasing their responsiveness, they can look forward to a continuing decline in their effectiveness and support.

Though the experience and expertise in established associations may be a valuable asset, it can only be so if these organizations develop a dynamic, forward-looking understanding of their roles. Otherwise, they will not be able to provide effective and relevant programs. Unresponsiveness will grow despite the goodwill and good intentions of both leaders and volunteers. It is vital that a serious effort be made to understand the changing needs of members or clients. Any organization, whether voluntary or governmental, needs to study where it has been and where it is going. However, in the present climate of economic uncertainty, organizations are often so busy keeping their heads above water that they have little time to consider where it is they plan to swim.

Fortunately, there is a growing interest on the part of some associations and a few government officials in carrying out research on the objectives and effectiveness of the services provided by voluntary associations. This new interest in research has, in turn, stimulated a new concentration on how best to evaluate voluntary activities. Such evaluations should include examinations of the patterns of voluntary activity in a given area, as well as analyses of the particular sources of its strengths and weaknesses. Periodic assessments of this kind would highlight troubled areas and point to needed corrective actions. There is ample evidence that the healthiest voluntary associations are those which evaluate their programs in relation to explicit objectives they have defined themselves.

A useful method of evaluation which the Council would like to emphasize involves a process of mutual self-study. This method might involve a number of voluntary associations, each of which would evaluate another according to general criteria agreed on in advance. Such evaluations are obviously neither sophisticated nor fully objective. They are, however, inexpensive and revealing exercises. In the voluntary area, where spontaneity and financial insecurity are the rule rather

than the exception, large expenditures and sophisticated, quantitative models for evaluation are clearly inappropriate. In many cases, it will be sufficient for members of voluntary associations to examine together and with dispassion, frankness and affection the realism and relevance of their objectives and the efficiency of their practices. Such evaluations are an obvious candidate for support by funders.

Voluntary associations should recognize that regular evaluations based on updated definitions of their objectives are an essential condition for the continuing effectiveness of their programs. They should also realize that an excellent method of accomplishing this end is cooperation with other associations in a process of mutual self-evaluation. The Council, therefore, recommends that:

- (24) VOLUNTARY ASSOCIATIONS SHOULD EXPLORE WAYS AND MEANS OF PERFORMING A PROCESS OF MUTUAL EVALUATION AMONG THEMSELVES.

There are other methods of evaluation which can be used. One approach is to bring in outside consultants, though this can be expensive and the association must know how to make effective use of such consultants. In addition, if an association is accountable to outside groups and funders, then these persons have a right to conduct evaluations. Given that voluntary associations can be accountable to their members, their financial supporters, their clients and the community at large, it can be seen that most voluntary associations are subject at one time or another to some form of evaluation.

BOARDS OF DIRECTORS

The role of boards of directors governing voluntary associations

has become an important issue for those engaged in voluntary action. There has been considerable discussion of this issue, usually in the context of concern about what segments of the population these boards should represent. The Council's consultations suggest that many associations are already conducting internal studies of these matters.

Many argue that, because boards have ultimate control over policy matters, they should be as representative as possible in membership and philosophy of the groups or communities to which the voluntary associations relate. The Council agrees with this view and notes that, despite a certain appearance of tokenism, the representativeness of boards has broadened in recent years. The real test will be the sustaining of such efforts from year to year.

Particularly in the human-services area, voluntary associations have brought into their boards representatives of the people most affected by the decisions of those boards, whether they are social service clients, local citizens, neighbourhood residents, consumers, or others. A by-product of this process tends to be a revitalization of those associations which have changed the composition of their boards. These citizens should be chosen for their leadership abilities and for the variety of perspectives and viewpoints which they can bring to bear on policy decisions. When a sufficient number of such persons serve on a voluntary board, the voluntary association itself becomes much more credible and effective.

One issue raised in the Council's consultations throughout Canada was the appropriateness of mandatory access by representatives of communities to boards of associations entrusted with public money. If an association uses public funds, it stands to reason that the community should have input into operations. The Council, therefore, recommends that:

- (25) ALL VOLUNTARY ASSOCIATIONS WHICH RECEIVE FUNDS FROM THE PUBLIC BY ANY MEANS ENSURE THAT THEIR CONSTITUTIONS ALLOW FOR REPRESENTATION ON THEIR BOARDS OF THE PEOPLE AND COMMUNITIES THEY SERVE.

A related question is how to foster healthy change, new ideas and wider representation. Although rotation is a widespread practice, there are still some voluntary associations which resist its use. The Council believes that rotation of board memberships can increase their representativeness and the level of public participation in their deliberations. However, such rotation cannot guarantee wider representation: it may only result in more of the same kind of people assuming positions. Nonetheless, the absence of rotation almost certainly produces stagnation. The Council believes that voluntary associations should develop formulae for the rotation of board members which increase representativeness and public participation in their activities.

The Council recognizes that change does not necessarily mean improvement. Indeed, long-term service on a board by some individuals may sometimes mean that they acquire an expertise very useful to the association. In other circumstances, long-term service by certain persons may simply be unavoidable. Nonetheless, the Council strongly favours a regular turnover in board members and a limit upon the number of consecutive mandates any one person may serve.

While the Council recognizes there should be exceptions, funding bodies should have the right to support only associations with constitutional provisions for the regular rotation of board members. The Council, therefore, recommends that:

- (26) ALL VOLUNTARY ASSOCIATIONS WHICH RECEIVE FUNDS FROM

THE PUBLIC BY ANY MEANS HAVE IN THEIR CONSTITUTIONS
CLAUSES ENSURING ROTATION OF BOARD MEMBERS.

The most preferable procedure is to ensure that at every election a fixed proportion of board members are replaced, thus ensuring a balance of change and continuity. One suggestion advanced by the Council is to use the usual formula for rotation whereby a minority of board members are replaced every year, with the additional provision that every few years a greater number is replaced.¹ This approach would help ensure that the board is not always dominated by a majority of long-standing members.

Other problems with voluntary boards of directors were discussed by the Council. For example, in some associations, volunteers engaged in the actual provision of services have no access to the board of directors they are helping to operate. Such an elitist approach may not represent a conscious choice. However, in this day and age, it is both anomalous and unhealthy.

RELATIONS BETWEEN VOLUNTARY ASSOCIATIONS

Many voluntary associations are nearly invisible because their participants prefer to have nothing to do with government or any other large institutions.

Such associations are fiercely independent. Their members

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For example, on a board of 21 persons there could be a rotation of 7 per year for 3 years then a rotation of 9, 9 and 3 persons for the following 3 years.

have chosen to band together in their unique way, seek out their own financial support without strings attached and carry out activities solely on their own terms, even if this means making their own serious mistakes. They resist any suggestion of direction or control from an external body, whether it be a local Social Planning Council, municipal government, the United Way, their own national association, if there is one, or the Government of Canada. They may even resist being called voluntary. In other words, they want to carry out activities on their own terms and have complete control of their relationship with the world external to their own organization.

To others, this yearning for independence often resembles a self-defeating separation from the larger community which nourishes such associations. Associations empowered to fund, plan and coordinate service activities in a community often feel that they should have some control over the program of the voluntary associations providing services in that community.

There is, then, a continual potential for conflict between the voluntary nature of the independent group and the responsibility of the central body for ensuring the overall quality and comprehensiveness of services in the community.

The Lefebvre study of French-language voluntary associations in four provinces revealed that voluntary associations have only a limited awareness of the whole range of needs in their communities.¹ Each voluntary association usually understands the specific needs in its sector of activity, but there is little communication between associations and much less between sectors. In such circumstances, there

¹ Lefebvre, op.cit., pp. 6.1, 6.2.

is clearly no guarantee that a host of voluntary endeavours, however well motivated, will constitute an adequate total response to all the needs in a community.

Obviously, there is considerable need for more communication between voluntary associations and co-ordination of their activities within a single community. Indeed, if voluntary associations within a single community would communicate and co-operate more with each other, they might find not only that they have much in common but that they can assist each other in innumerable ways in carrying out their respective programs.

The need for such collaboration is one reason why volunteer bureaus are attempting to broaden their scope. In addition to their traditional referral functions, the foremost volunteer bureaus are now developing volunteer training courses, leadership training seminars, developmental research projects and information centres on voluntary action. They are also trying to formulate new aims and objectives. These include: the evaluation of community needs; co-ordination of volunteers' activities in the community; diffusion of the ideology, philosophy and goals of voluntary action; encouragement of the use of volunteers by organizations not now utilizing them; and, finally, the generation of greater concern in their communities about social problems and community needs. In order to assist local volunteer bureaus in this process of self-evaluation, a Canadian Committee on Volunteerism was created a few years ago. The Committee also liaises with the Federal Government for volunteer bureaus right across Canada.

Many observers of voluntary action wonder whether it is feasible to create a multipurpose central body relating to voluntary action in any given community. They also question whether it should be volunteer bureaus which form the bases for such institutions. In all fairness, it should be noted that there is in Canada at least one

such body and it is an offshoot of a volunteer bureau. The Voluntary Action Resource Centre, set up in Vancouver in 1973, now receives considerable support from the British Columbia Government. The Centre acts as an information clearing house for voluntary associations in the province, works at improving local delivery systems for voluntary services and provides research support for social action groups. It also sponsors volunteer workshops, and participates in conferences on voluntary action in the province. The success of the centre would seem to demonstrate the feasibility of a community centre for the circulation of information and promotion of co-operative ventures among voluntary associations. However, the preconditions for its success are a genuine commitment, good leadership, people with a practical turn of mind and a setting quite different from that in the traditional volunteer bureau.

GENERAL PERSPECTIVES

It was continually brought to the attention of the Council that there is considerable ferment among those engaged in voluntary action. Since the late 1960s, there has been a growing belief that the possibilities inherent in voluntary action have yet to be fully explored. At the same time, there has been an underlying sense of anxiety about its future roles and objectives in Canadian society and even a questioning of its continuing relevance. These two extremes would seem to be the product of the turbulent and rapid change which Canadian society has been experiencing for the last 10 years. This ferment, and the mixed feelings of optimism, uncertainty and pessimism to which it has given birth, have affected all forms of voluntary action.

The new realism about the mixture of altruism and self-interest in the motives for voluntary action has given rise to a

renewed optimism about the future role of voluntary action in society. At the same time, many volunteers are discovering that frank expressions of self-interest can often lead to conflict between voluntary associations or at least a self-isolation from the larger community. The Council can only comment that, however refreshing the new honesty about motives may be, voluntary associations must recognize that inter-dependence and act on that realization.

The relative lack of co-operation between voluntary associations and, more seriously, poor planning of their activities has meant that they tend to react to events rather than anticipate them. Many are engaged most of the time in entirely defensive actions -- that is, protests against such external encroachments on their constituencies as high-rise developments, environmental degradation, sexual discrimination, maltreatment of prisoners, and many others. Because such actions are often spontaneous, they can sometimes catch off guard the offending institution and force it to reverse its position. However, at other times, lack of co-operation and of a concerted planned approach often dooms such defensive actions to failure.

Clearly, voluntary associations must walk a fine line. They must co-operate with other voluntary associations, but vigorously maintain their own independence. Some believe that collaboration is preferable to co-operation because they feel that co-operation can sometimes sap the independence of voluntary associations. Whether they collaborate or not, they must also carefully plan their activities and administer them efficiently, but not create an unwieldy bureaucracy which will stifle the spontaneous energies and interests of their members.

The Council is concerned about these problems. However, no universal solution exists; the answers lie in each association addressing itself to these problems and committing its membership to their solution.

Chapter 5

Financing of Voluntary Action

INTRODUCTION

The problem of financing voluntary action was one of the issues raised most frequently during the Council's meetings and deliberations. Though the funding problem is very real, excessive concentration on it can often cause an organization to ignore other types of assistance and other issues or problems. For example, an obsession with fund-raising activities can easily cause a voluntary association to miss opportunities for good publicity, donations of expertise and facilities, and even voluntary contributions of time and energy which are as valuable to the ongoing health of the association as money.

Since time and money donated by individual volunteers are the only source of support for a vast majority of voluntary associations, the discussion of financing which follows is only minimally relevant to these associations. Indeed, there is no reason why they should turn to outside sources of financial support. This fact should serve as a reminder that the very essence of voluntary action resides in the willingness of an individual to give up time or money as a means of ensuring the success of a cause he or she values. The Council's central concern, then, is to create a climate in which these free and generous individual acts will be both permitted and encouraged.

The Council does not wish, however, to belittle the seriousness of the funding problems faced by many voluntary associations in Canada. In this chapter, there will be an analysis of the relationships between voluntary associations and contributors of all kinds. Suggestions for the improvement of these relationships will be made. Beyond the general recommendations and comments here, the specific responsibility of the Federal Government will be discussed in Part III. Also discussed in Part III will be the responsibility of the Federal Government to facilitate through tax legislation the flow of financial support from non-governmental contributors.

PROBLEMS ASSOCIATED WITH FUNDING

Voluntary associations see fund-raising as one of their major problems. The Council background studies bear out this contention. The Cooperstock study, for example, revealed that 58 per cent of local voluntary associations and 61 per cent of "nationals", see fund-raising as their major problem; only 26 per cent of the "locals" and 24 per cent of the "nationals" agreed on the greater seriousness of a different problem -- that of recruiting volunteers.¹ The Lefebvre study stated that 52 per cent of associations queried had great difficulty in raising funds necessary for their operation.² There is also ample evidence that representatives of a significant number of voluntary associations are growing tired of the continuous struggle for survival, year after year, from crisis to crisis. Fund-raising is a fact of life and most

¹ Cooperstock, op.cit., p. 73. It should be noted that Cooperstock's sample contained 231 local associations and 76 national associations.

² Lefebvre, op.cit., p. 3.53.

associations have to live with it. However, the present debilitating blend of inflation and recession is converting this fact of life into a demoralizing problem.

Because of their voluntary, not-for-profit nature, voluntary associations will, of course, always be seeking funds. As long as there is need for their activities and services, demands will continually increase, costs will rise and there will never be quite enough funds to cover the human needs which they try to meet. If these financial problems arise from poor management and inefficient practices, the Council believes that voluntary associations must immediately attempt to correct these problems. However, the gap between needs and resources will always be there, no matter how efficient the association.

(a) Accountability

With the need for fund-raising comes the necessity of accounting to donors for the spending of such funds. For associations receiving funds only from their memberships and/or income generated from their programs, the problem is simple. They need only account to their memberships, demonstrating that good accounting practices were followed and that funds were spent according to the priorities of the associations.

However, a considerable number of voluntary associations face a more fundamental difficulty which is increasing all the time. They are funded internally as well as from different outside sources, not the least of which is the Federal Government and its agencies. No voluntary association argued that it should not report back to the donor on the spending of funds. However, the requirements of donors with regard to the degree, scope and complexity of accountability and procedures for making it a reality presented endless problems.

Many associations also feel caught in a web of conflicting obligations. They are accountable to too many groups -- their financial supporters, their clients, their memberships and the community at large. Who has precedence, given the limited time and resources most voluntary associations have for giving an accounting?

It is the Council's position that a voluntary association should be first and foremost accountable to its members. It must, of course, still give some accounting to other groups and bodies which have a vested interest in its activities. Confusion and doubt arise about how to give a credible accounting to all such bodies and still perform effectively the functions of the association. In spite of this dilemma, only a few voluntary associations stated that they were only accountable to their members through their own internal democratic processes.

There is another area of confusion about accountability. It can best be described in a series of questions. For what is a voluntary association accountable, anyway? Is it accountable to the donor for the way it disburses funds? Is it accountable to him for the effectiveness of the program carried out with the funds obtained? Or is it accountable to him for its very existence?

Probably this last type of accountability to the donor is unjustified. Clearly, it is the responsibility of the members of an association and the local community to decide whether that association should continue to exist. In the case of accountability to the donor for the effectiveness of a program which he has supported, the issue is less clear. Many associations receive from 5 to 10 per cent of their money from one source -- the United Way, for example. They are actually, or at least feel, 100 per cent accountable for the effectiveness of their programs to these donors. There is no uniformity in the approach to this question taken by local donors. However, the Council did hear

complaints about its handling in some communities from time to time. Some associations even questioned whether or not the money was worth the effort.

There is one suggestion which can be made to funders in the area of accountability for the way funds are spent. They should investigate thoroughly the association's worthiness prior to the initial provision of funds. Is it a responsible body? Is the cause or service one the funders wish to promote? Once these questions have been answered and the funds provided, there is a need for a climate of mutual trust in the relations between funders and voluntary associations. Too often, periodic accountability processes -- the need for which is accepted -- are carried out in a climate of suspicion and wholly unnecessary adversary relationships develop.

Another problem area is the framework of accountability required by donors for money spent. It is often wholly inappropriate for voluntary associations. The systems being proposed often appear too complex, precise or uniform, given the wide variety of associations any one funder may be supporting. Such arrangements are also often incompatible with the ad hoc and unsophisticated structures of many small voluntary groups. Some work has been done to develop more appropriate accountability frameworks, but no overall solution has yet been discovered.

The most ambitious of such endeavours is the United Way of Greater Vancouver's Planned Program Budgeting Systems Project - (PPBS).¹ The basis for this system was developed in the early 1970s by the United

¹ Roger W. Patillo, Allan R. Fitzpatrick and Christopher L.R. Jaques, The Vancouver Planned Program Budgeting Systems Project, (PPBS Vancouver), (Vancouver: United Way of Greater Vancouver, 1976).

Way for its own agencies. With money from the Department of National Health and Welfare, the Vancouver United Way attempted, between 1971 and 1975, to expand, refine and adapt PPBS to the needs of voluntary associations, and to demonstrate that both governmental and non-governmental organizations could use a common model for the total service-delivery system. The United Way hopes ultimately that the model can be applied right across Canada. The purpose of the project is to create a precise record of available services in order to ensure efficient planning, budgeting, accounting and reporting to the public and donors.

The concept is alluring; the reality raises a host of complex problems. The Vancouver experience is now at the final stage of evaluation. There is as yet no real verdict on its usefulness, although documentation of the project has been published. The Council believes that much can be learned from the experience of those engaged in this massive project and from the outcome of their work. The Council, therefore, recommends that:

- (27) THE FULL RESULTS OF THE VANCOUVER PLANNED PROGRAMMED BUDGETING SYSTEMS PROJECT BE MADE PUBLIC UPON TERMINATION IN ORDER TO ENSURE THAT PROPER DISCUSSION OF THIS EXTENSIVE PROJECT TAKES PLACE AND FURTHER STEPS ARE TAKEN TO IMPLEMENT THE CONCEPT OR DEVELOP A WORKABLE ALTERNATIVE.

It should be noted that the forerunner to this project was the development and dissemination of two booklets on accounting and reporting procedures. The first, Canadian Standards of Accounting and Financial Reporting for Voluntary Organizations¹ was published in 1967 by the Canadian Welfare Council with a view to developing a common

¹ Canadian Welfare Council, et. al., Canadian Standards of Accounting and Financial Reporting for Voluntary Organizations, (Ottawa, Canadian Welfare Council, 1967).

reporting format. A second booklet, Programme Budgeting for Canadian Voluntary Organizations¹ was published in 1967 by the Canadian Welfare Council with a view to developing a common reporting format. The United Ways, in particular, have tended to use and adapt these booklets for their own purposes in dealing with the agencies they fund. The Council, therefore, recommends that:

- (28) THE QUESTION OF DEVELOPING A COMMON SIMPLIFIED REPORTING SYSTEM APPLICABLE TO THE WIDE VARIETY OF VOLUNTARY ASSOCIATIONS AND GROUPS SUPPORTED BY PUBLIC AND PRIVATE FUNDS BE RE-EXAMINED BY VOLUNTARY ASSOCIATIONS AND FUNDERS BASED, IN PARTICULAR, ON AN ASSESSMENT OF THE EXPERIENCE IN THE LAST TEN YEARS IN THE HEALTH, SOCIAL AND COMMUNITY SERVICE SECTORS.

In addition to the two above mentioned booklets, this assessment should cover the experience with the National Council of Welfare's bookkeeping handbook for lower-income groups.² It is important to note that the views of a wide variety of recipient associations should be tapped since there can be great differences in the needs of voluntary associations. A system which suits a large association may not meet the needs of an emerging group at all. Whatever the results of such endeavours, there can be little doubt about the serious need for frameworks of accountability to share as many features as possible. The first to benefit from such an approach would be the voluntary association, given the many distinct types of reporting procedures now required by different funders. The present variety of accounting

¹ Canadian Welfare Council, et. al., Programme Budgeting for Canadian Voluntary Organizations, (Ottawa: Canadian Welfare Council, 1969).

² National Council of Welfare, Bookkeeping Handbook for Low Income Citizen Groups, (Ottawa: National Council of Welfare, 1973).

frameworks means confusion and added work for the voluntary association receiving funds from many different sources, and most voluntary associations are in just that position.

(b) Granting Criteria

The criteria used in deciding who should receive formal grants of money also poses problems for voluntary associations. These criteria are often poorly conceived. Frequently, they fail to accommodate the needs of different types of voluntary associations or of similar associations at different stages of development, even when these associations are eligible for the grants in question.

Voluntary associations continually told the Council that adjustments were necessary if the associations were to meet granting agencies' criteria. Some argued that these adaptations diluted their purpose; others stated philosophically that such conditions had to be accepted since there was really no choice as to where to go for funds. The dilemma is genuine. For example, should an association adapt so that it can secure short-term benefits for itself and the community, or should it attempt to convince the donor to accept its own objectives? At the very least, there is a need to strike a better balance between these conflicting priorities. Certainly, the more the funder sets terms, the higher the risk of distorting the objectives of the voluntary association.

Project grants are particularly risky. Many voluntary associations take on projects one after the other without the necessary manpower or financial strength to continue to operate in this manner over an extended period. In these circumstances, there is a real danger that the project grants will eventually decrease or cease altogether, at which point the association will either flounder or expend so much

effort raising funds that no energy is left for anything else, including the projects.

There is also a significant gap in the present grants structure. Very little is available for new associations wishing to prove their usefulness to a community or explore new areas. It is particularly difficult for new voluntary associations, which are often in greatest need of operating funds, to receive core funding.

The problem of distortion is particularly serious. An association may gradually and almost unconsciously accommodate itself to the funder over time. Such accommodation can be seriously compromising, especially for social-action groups. If it is deemed proper that the causes of such groups should be espoused, then everything possible should be done to preserve their integrity. Although this matter will be explained in greater depth in the context of government funding, it should be noted that there will always be some conflict between the perspectives and objectives of the funding agency and those of the association funded. The problem is the balance which is finally struck between these conflicting objectives.

Funding is often compared to a game in which an association matches wits with prospective funders. Unfortunately, the game is often loaded against the association. The tactics of ploy and counter-ploy can become so engrossing that the association may, without even being aware of it, gradually sacrifice the integrity of its program for a short-term financial gain. The basic reality is that the funder usually has the upper hand. In short, voluntary associations have to recognize that they must fight to retain their integrity in an environment where there is often a conflict between the ultimate objectives of the donor and those of the association.

While this dilemma poses a difficulty for voluntary associations, it is a fact of life that such choices must be made constantly. It is in the very nature of a voluntary association to have to make such judgements. At all times, an association should know where it is going and be able to define eloquently and precisely its long-term objectives, the uniqueness of its orientation and the means at its disposal to reach its objectives. Only in this way can an association deal, at least partly on its own terms, with prospective funders. The Council, therefore, recommends that:

- (29) DONORS CONSTANTLY BE SENSITIVE TO THE PARTICULAR CHARACTERISTICS AND NATURE OF VOLUNTARY ASSOCIATIONS AND INVOLVE, THROUGH VARIOUS MEANS OF CONSULTATION, PROSPECTIVE RECIPIENTS IN THE PROCESS OF DEVELOPING FUNDING CRITERIA.

The inter-church committee to promote social justice in Canada -- Plura -- is one example of a funding organization which involves prospective recipients in the development of funding criteria and, in fact, its total decision-making process. Plura does so by placing representatives of recipient groups on its board of directors. The funders of Plura are the five major churches and the recipients are voluntary associations working on behalf of the disadvantaged. It is too soon to state whether Plura has met its objectives.

(c) Special Problems of Advocacy Groups

Some voluntary associations engaged only in advocacy or social action encounter unique funding problems. The success of such groups depends in part on the degree to which they can document their concerns and the level of participation of their memberships. For this reason, they must pay for the conducting of fairly extensive research and also for the renting of meeting places to ensure that their members can

participate in the definition of their policies. However, funding bodies are not always willing to support such activities.

(d) Excessive Dependency

Another serious problem raised by some voluntary associations is the very real possibility of excessive dependency upon a single source of funds, whether private or governmental. Generally, such a situation should be avoided. For example, Charles Lussier, director of the Canada Council, has pointed out that, because the arts will never become self-financing, they are receiving an increasing proportion of financial support from government. Mr. Lussier emphasized that there are risks inherent in this excessive dependency upon government. The same may well apply in other areas of voluntary activity, whether their main source of support is government or some private institution.

There are, however, certain exceptions to this rule. Some associations see themselves as an arm of the funding organization, as used to be the case with many social planning councils in their dealings with local United Appeals. Others are performing a statutory or quasi-statutory function, such as the Children's Aid Societies in Ontario or the Social Service Centres in Quebec.

(e) The Climate of Competition for Private Funds

Finally, current government funding patterns have increased the competition for the limited funds available in the private sector. This change is largely attributable to short-term federal funding programs in the 1970s, aimed essentially at creating jobs and opportunities. These have generated new expectations; and, when the support from government for such activities ended, a host of new seekers for private financial support emerged. The pressure on corporations, United Ways and other private funders increased radically, with the

result that the money made available to support voluntary action was being sliced into smaller or different portions. There is no point in decrying the existence of competition for private funds. In many ways such competition is useful because it ensures that a voluntary association is responsive in some ways to the community. The climate of competition, however, and the rules of the fund-raising game were drastically and rapidly altered by the federal programs of the early 1970s. The result has been the creation of new pressures on both private funders and many voluntary associations.

Voluntary associations have also felt these pressures in another way. They have taken over some of the activities previously funded by government.

SOURCES OF FINANCIAL AND OTHER SUPPORT FOR VOLUNTARY ASSOCIATION

(a) Internal Support: One of the traditional ways in which voluntary associations have raised funds has been through membership fees. In the Cooperstock background study, it was discovered that 38 per cent of local associations surveyed ranked this revenue source as first or second in importance.¹ This percentage rose to 57 for the national associations in the sample.²

Participation fees are another related source of support. These are fees charged by an association for such things as courses, use of its facilities or services. The same background study indicated that 28 per cent of the local associations surveyed ranked these first

¹ Cooperstock, op.cit., p. 23.

² Ibid., p. 24.

or second as a source of funding.¹ Donations from members are another internal source of funds, as are sales of merchandise, contributions from parent bodies, bingos and raffles.

Internal sources of support appear to be dwindling while government funding has been increasing markedly over the past few decades. This trend could lead to an erosion of the commitment of individuals toward an association or area of activity. For this reason, some associations still continue to collect internal revenue as a matter of principle. They believe that internal revenue reflects the quality of their members' commitment and their ability to take responsibility for funding the association, even though the proportion of revenues derived in this way may be quite insignificant. Others follow the same policy because they believe that, in their dealings with government, it is useful to have proof that people are willing to support them by providing individual contributions.

Generally, unless an association desires absolute independence from all outside sources or has a very large membership, membership and participation fees now retain only a symbolic value. Members, however, should contribute as much as they can. For an association wishing to perceive itself as voluntary, that symbol can be exceedingly important, even when internal revenues are negligible. If other funding sources dry up, the contributions of money and time by members may even become essential to the survival of an organization. For these reasons, voluntary associations would be well advised to keep collecting such revenues and perhaps even increase their reliance on them. Thus, the Council recommends that:

(30) VOLUNTARY ASSOCIATIONS CONTINUE TO COLLECT MEMBERSHIP

¹ Ibid., p. 23.

AND PARTICIPATION FEES, HOWEVER SMALL, PROVIDING
THESE DO NOT DISCOURAGE PARTICIPATION BY VOLUNTEERS.

Such contributions might take the form of money or time.

(b) External Support: With the exception of government grants, there are five principal sources of external support for voluntary associations. These are: individual donors, United Ways, foundations, corporations and lotteries. Even taken together, these are secondary to government as a source of financial support. This state of affairs represents a significant departure from the situation in the not too distant past. At that time, public fund-raising campaigns sponsored by the voluntary association or through the United Ways were primary sources of funding for voluntary action.

Martin's study on financing humanistic service, the first and major work on the subject in Canada, suggests that "the average Canadian actually has reduced, in absolute as well as relative terms, the proportion of his wealth that he contributes directly and voluntarily as an individual to the betterment of his community."¹ Martin states that the growth of taxes and the continuous inflation since the Second World War are not the root causes of this trend. In reality, Canadians are now more affluent in relative and absolute terms than they were at the end of the war. It can be seen, however, that, as their incomes increase, donors do not necessarily continue to give the same proportion of their wealth. No study has as yet provided a convincing explanation of this fact.

The United Way is popularly viewed as the most significant

¹ Samuel A. Martin, Financing Humanistic Service, (Toronto: McClelland and Stewart, 1975), p. 48.

source of non-governmental contributions to many voluntary associations in the broad area of human services. In actual fact, however, a recent study shows that direct contributions by private donors to individual voluntary agencies in the social service field are larger than United Way support in the 13 cities sampled.¹

Total campaign receipts for Canada in 1976, according to figures given by the United Way of Canada, totalled some \$66 million. Though the total amount of money contributed by the public to United Ways in Canada has steadily increased over the years, the demands and needs of voluntary associations seeking support through the United Ways have increased even more. One major reason that fund-raising through the United Way has not kept pace with the demands and needs of voluntary associations is that the United Ways are central agencies responsible for the collection and disbursement of funds. In consequence, the potential donor may see little connection between his contribution and the ultimate recipient of the money.

It has been suggested that the ideal fund-raisers, at least with the general public, are service volunteers from recipient agencies because they can best get the message of need across to the public. Not all United Ways use such volunteers effectively. This failure is unfortunate because the average giver needs to connect emotionally with a cause, an agency or a problem, at least periodically. Otherwise, routine sets in and routine is the United Ways' nemesis in the long run.

Foundations are perhaps the least understood of the sources of funds for voluntary associations. Indeed, many members of voluntary

¹ Novia Carter, Trends in Voluntary Support for Nongovernment Social Service Agencies, (Ottawa: Canadian Council on Social Development, 1974), p. 9.

associations do not know exactly what they are or what they do. For this reason, it is necessary first of all to define a foundation. According to F.E. Andrews, former president of the Foundation Centre in New York, a foundation is "a non-governmental, non-profit organization with funds and programs managed by its own trustees or directors and established to maintain or aid social, educational, charitable, religious or other activities serving the common welfare."¹ In the present context, one might well add voluntary activities.

However, it is apparent from the definition and the Council's own examination of Canadian foundations that they do not consider the funding of voluntary activity for its own sake as a priority. Rather, they fund activities which serve the needs of the community -- whether local, national or international -- as perceived by their boards and executive staff in light of the interest and concerns of their donors and endowers. Voluntary associations, insofar as they meet these criteria, are eligible for support. However, much foundation money in Canada goes to educational institutions, whether to support the construction of new facilities or to back medical and other research in universities and research institutes. Indeed, the funding of educational activity would still seem to have a much higher priority among Canadian foundations than support for activity in the health, welfare and arts.

Foundation funding criteria are often quite subjective. In the case of many family foundations -- which compose two-thirds of the approximately 1,400 foundations in Canada -- the person giving the endowments has his own special interests and concerns. Often these determine who receives grants rather than any systematic survey of community needs. As a result, even when voluntary associations are

¹ Quoted in Martin, Financing Humanistic Service, p. 105.

eligible for grants, it is frequently the traditional and well-known associations which receive priority as recipients. Newer and more innovative associations which serve a legitimate function in the community are often ignored, either because of their controversial nature or because they are an unknown quantity.

It is also frequently difficult for voluntary associations to discover the criteria used by foundations when selecting grants. All too many are run by small boards and executive staffs which are accountable neither to government nor the public. Many do not publish annual reports or publicize their grants criteria. Indeed, as John W. Gardner, former president of the Carnegie Corporation, pointed out, "Mystery, secretiveness and insularity are ultimately perhaps the worst enemy of foundations. The need is for a new era of openness between foundations and their public."¹

There are exceptions to this rule, however. Community foundations, for example, which comprise 13 per cent of foundations in Canada, receive their funds from a large number of private donors. As a result, they do give an accounting to the public and publish annual reports. Community foundations also tend to publish their grants criteria and survey the needs of their communities carefully in order to discover how their funds can best be put to use. For this reason, they are often able to support voluntary associations ignored by other funding sources but which have something valuable to contribute. On more than one occasion, they have supported voluntary associations which were experimenting with a new type of program and the more traditional

¹ Quoted in Allan Arlett, A Canadian Directory to Foundations and Other Granting Agencies, (Ottawa: Association of Universities and Colleges of Canada, 1973), p. 28.

funder or foundation would not touch.¹

Though foundations do render a valuable contribution to the community and to many voluntary associations, it must be admitted that their efforts could be improved. In particular, they should take steps to open their operations up to more public scrutiny. The new tax registration provisions described in Chapter 11 require foundations to file public information returns and may well be a step in the right direction.

In order to assist voluntary associations in particular, foundations might also consider publicizing their grants criteria. This could be done at very little cost and would ensure that their grants are put to more effective use. If foundations publicized their criteria more, they would also have more applicants and, therefore, a better sample from which to select projects for funding.

Finally, foundations should be less subjective and traditional in their setting of grants criteria. When deciding on grants criteria, most foundations should frequently and systematically survey their communities in order to discover whether needs and priorities have changed and then adjust their criteria accordingly.

¹ Among family foundations are some which are more open about the activities they are prepared to support. The Donner Canadian Foundation is one example of such a foundation. It has publicized the five areas which it deemed were in need of special attention. The Laidlaw Foundation also publishes its criteria and grants. Corporate foundations, on the other hand, usually make a useful contribution to the communities in which the corporation has offices or plants.

Patterns of corporate giving have also changed considerably. In the past, corporations gave much of their money as capital grants to hospitals and universities and through United Ways. Then, as government moved into these areas, corporations began to increase their contributions to museums, art galleries and a variety of voluntary services.

Whether on their own initiative or in reaction to external pressures, corporations began in the 1960s to develop a better image of social responsibility. Beyond their traditional involvement, corporations are now supporting educational activities, social services and some social causes, especially within communities where they do business or have aspirations to do so. However, corporations have tended to stay away from highly visible and controversial areas where the outcome of a project or its potential benefit is in doubt. Beyond this, there is frequently a certain conservatism and caution in granting decisions. In fact, granting criteria are often not publicized and do not arise from any systematic analysis of community needs.

More recently, business firms have been claiming that their level of contribution is limited by the present climate of economic restraint and uncertainty. They argue that donations must fall as profits erode and taxes rise.

A recent study shows that donations to voluntary associations from corporations dropped 15 per cent between 1974 and 1975. Indeed, donations from 40 of the largest firms in Canada fell from \$40.1 million in 1974 to \$34.1 million in 1975. Forty-three per cent of corporate donations still go to the health and social services, mostly through United Ways which received almost 29 per cent of all corporate donations in 1975. Education received 28 per cent and civic causes 10 per cent. Cultural and sports organizations were the worst

victims of the recent general decline in corporate giving.¹

It is interesting to note that, when the Anti-Inflation Board regulations were originally drafted, corporate donations and advertising expenses were combined together and growth in either was frozen. This decision, coupled with the corporate concern about rising taxes and declining profits, likely caused a decline in donations. Whether because of the outcry from voluntary associations or because government recognized its error, the anti-inflation regulations were changed and the restriction on donations was removed in 1976. The change may have stimulated corporate giving to voluntary associations. However, no evidence, one way or the other, is available as yet.

Though Chapter 11 focusses upon the ways in which government can facilitate the flow of private money to voluntary associations, there is also a need for a comprehensive analysis of the factors affecting corporate donations. Is there, for example, a relationship between levels of corporate profitability and corporate giving? Professor Samuel Martin examined this question in his book, Financing Humanistic Service.² In a further study undertaken for the Council, he and some collaborators came to the following tentative conclusions after re-analysing data on donations, between 1967 and 1972, from a sub-sample in an in-depth survey of the 50 most profitable corporations in Canada:

- 1) Corporations, because of their economic power, are often seen as the major source of financial support for voluntary associations. In actual fact, corporations in total gave less than one-fifth as much money to voluntary organizations as individual donors;

¹ Institute of Donations and Public Affairs Research, Corporate Giving in Canada, 1975, (Montreal: 1976).

² Martin, Financing Humanistic Service, p. 77.

- 2) Corporate charitable donations were positively related to the size of gross profits after taxes;
- 3) The rate of corporate giving was significantly lower among foreign-owned firms than among Canadian firms;
- 4) Labour-intensive firms tended to be more generous than capital-intensive ones;
- 5) Corporate charitable donations were inversely related to the tax load borne by a corporation; and
- 6) Profitability measured in terms of the rate of return on gross corporate assets had no discernible impact on corporate generosity.¹

Much of these data are not fully conclusive nor is it possible to generalize about business corporations as a whole. For example, whether a reduction in corporate taxes or tax incentives for charitable donations will have a positive impact on corporate giving is difficult to determine. There is a need for more data than are now available and the Council believes this need is urgent. The Council's own data in this area will be discussed in Chapter 11 and recommendations made for changes in existing fiscal arrangements.

Corporations often seek more influence over policies in this area than the size of their financial aid to voluntary associations would seem to warrant. As Martin pointed out, corporate donations are one-fifth as large as individual donations. Clearly, there is a

¹ S.A. Martin, R.D. Hood, and L.S. Osberg, Economic Determinants of Charitable Donations in Canada. Background study prepared for the The National Advisory Council on Voluntary Action, 1976, pp. 33-41.

need for corporations to assess their own responsibility more carefully.

The Council's review of existing studies shows that a majority of corporations tend to respond when social needs are forcefully presented to them, and not because of any prior examination of the spectrum of community needs and the establishment of a considered policy in this area. Very few appear to have conducted full-scale reviews of their approach to donations. Consequently, they are often uncertain about the nature of a reasonable and responsible approach. Though reaction to pressure will always be a fact of life, the Council believes that it should not remain the main factor.

Though the Council acknowledges the usefulness of the data on corporate giving now available, more information is needed to assist business corporations and foundations in developing a coherent approach in this area. The Council has also reviewed the Filer Commission report on private giving published in the United States in late 1975.¹ This report examined a broad range of issues related to philanthropy and a similar endeavour appears to be needed in Canada. The Council, therefore, recommends that:

- (31) CORPORATIONS, IN CONCERT WITH FOUNDATIONS, UNDERTAKE AN IN-DEPTH INDEPENDENT STUDY OF CORPORATE AND FOUNDATION GIVING IN CANADA.

A new phenomenon of growing importance to voluntary action in Canada is the lottery. Many of the proceeds of government-sponsored lotteries have been utilized to support voluntary associations. This type of financial support has not yet been studied extensively by anyone. However, recent newspaper accounts state that Canadians spend each

¹ Commission on Private Philanthropy and Public Needs, Giving in America: Toward a Stronger Voluntary Sector, (1975).

year an average of \$80 per capita on lotteries. Unfortunately, it is not clear whether Canadians are spending money on lotteries which otherwise would have been given to voluntary associations, churches and service clubs.

There is a growing fear, however, about the loss of revenues to voluntary associations and other local organizations carrying on their own fund-raising activities, whether these be sales, bingo, raffles or other similar endeavours. Such erosion may also be related to the government's returning of some of the proceeds from lotteries to voluntary associations. Because of such support, some Canadians may think that they have no obligation to give. Aside from potential loss, this transformation of private financial transactions into governmental ones may undermine the people's freedom to manage their own affairs, a freedom which lies at the heart of voluntary action. Canadians may not be aware that these changes are occurring.

At the present time, there is insufficient information to state with any certainty what effect lotteries have had on personal giving or on voluntary associations. For this reason, the Council recommends that:

- (32) GOVERNMENTS CARRY OUT STUDIES ON LOTTERIES THEY SPONSOR WITH A VIEW TO DETERMINING THEIR PRESENT IMPACT ON AND FUTURE IMPLICATIONS FOR INDIVIDUAL GIVING AND THE FINANCIAL WELL BEING OF THE VOLUNTARY COMMUNITY.

Because federal and provincial lotteries affect each other so much, a more valid picture of the effects of these lotteries would emerge if the federal and provincial government cooperated when conducting these studies.

Chapter 6

The Nationals

INTRODUCTION

Canada is a country which is difficult to govern. The same can be said of a national voluntary association. As with the country, good communications are difficult to establish and maintain for reasons of geography, regional diversity and differences in language and culture. Travel is expensive and time-consuming. Programs have to be developed in two languages and shaped to reflect the very real differences in culture between French and English Canada. National interests may well be in conflict with provincial and local interests. Given the diversity of the country, this situation is predictable.

National voluntary associations warrant special consideration for these and other reasons. Many recruit large numbers of volunteers right across Canada and have local associations in most Canadian centres. Another reason is that national associations are in most frequent contact with the Federal Government. At their best, they can articulate and express national interests as their constituencies across Canada perceive them. They are, therefore, equipped to conduct dialogues with the Federal Government on national issues, whether they agree with or oppose the federal position on these issues. Their successes and failures in dealing with the Federal Government will therefore illuminate many of the issues central to this report.

Whether they have a greater impact on Canadians than the myriad of community associations and groups at the local level cannot be discerned. They merit consideration because on truly coast-to-coast issues they, in fact, are speaking for numerous volunteers and community groups at the local level. Their effectiveness in doing so depends upon how democratically they operate.

THE DIVERSITY OF THE NATIONALS

To describe these associations as "The Nationals" is somewhat misleading. The term suggests a monolithic block of associations operating in roughly the same way to meet in a voluntary fashion a spectrum of clearly identifiable needs. Such is not the case. There are innumerable differences between these associations and no single generalization appears to apply to all of them. They vary profoundly in their objectives, their approaches to programs, their foci of concern, their structures and their financial strength.

They also differ in the roles they assign their national offices. Indeed, the responsibilities of these offices range all the way from a limited co-ordinating role to full control over the operations of the entire association.

The places where power resides in these associations can also vary. In some, the main influence lies with the national office. In others, it lies with the local members or with provincial offices. In yet others, there is constant communication between all levels and decision-making is divided between federal, provincial and local levels or some combination thereof.

Some have offices at all three levels -- local, provincial

and national. Some have them at only the local and national levels and a few at the national level only. And then, there are the intricacies of affiliate relationships. In short, the variations are endless.

One distinction is frequently applied to their internal structures. This is the distinction between federated and corporate structures. The federated structures are generally those with local and/or provincial members and offices. In federated structures, local and/or provincial members and offices exercise control in certain areas and the federation is all of these acting in concert under majority rule. Corporate structures are those in which control rests at the national level. Once the officers have been elected and policy set, the national office then directs the operations, budget and staff of the entire structure.

It can be seen, then, that the degree to which the national office can control these various aspects of the association varies from association to association and from time to time. It should be no surprise that there are many different mixtures of corporate and federated structures in the national voluntary associations. Indeed, one is tempted to conclude that there are as many possible categories as there are "national" associations. The terms "federated" and "corporate" refer only to opposing ends of a spectrum along which lie the internal structures of the "nationals".

The constituencies of the national voluntary associations are equally varied. They reflect, to mention only a few, public concerns for health, education, culture, welfare, women, youth, sports, the arts, international affairs and almost every other field of endeavour or interest explored by Canadians. For example, the "nationals" include such widely recognized and diverse voluntary associations as the National Council of YMCA's of Canada, the Boy Scouts of Canada, the Canadian Council on Social Development, l'Association féminine

d'éducation et d'action sociale, le Service d'orientation des foyers and the Inuit Tapirisat of Canada.

Some have been founded quite recently; others have been operating for decades. In general, the fraternal, youth and women's associations have long histories in Canada; their founding dates are often earlier than 1930. The health and service associations are a newer phenomenon, having grown up in many cases since the Second World War. There are also newer associations like the National Anti-Poverty Organization which emerged during the social ferment of the late 1960s and early 1970s.

One safe generalization which can be made about the "nationals" is that nearly all have headquarters in Montreal, Toronto or Ottawa.

Another is that most tend to have developed relationships with the Federal Government. Some simply feel it is important to have good contacts within the Federal Government. Others seek federal funding, while still others are pressing for reforms desired by their constituencies. A few act somewhat like an arm of the Federal Government.

Such federal departments as the Secretary of State consider a voluntary association "national" if it has members in at least three provinces and a national office. This definition poses a special problem for some associations. Some may be strong in only one region with peripheral interests in others, but truly represent a national concern on a particular issue at any given time. This observation is particularly true of associations based in the Province of Quebec. They may have members and activities in such other parts of Canada with substantial French populations as New Brunswick, Ontario and Manitoba. However, because the French-speaking population is concentrated in only a few provinces, their national concerns may well be reflected in voluntary associations which operate only in those few provinces.

Some "nationals" have attempted to co-ordinate their efforts to secure more support from the Federal Government. Partly on their own initiative and partly in response to suggestions from federal departments, they have been meeting annually during the last three or four years. The purpose of these meetings has been to develop some common ground, particularly in their dealings with the Federal Government. A Committee of National Voluntary Organizations has been formed to undertake tasks identified at these meetings and ensure some continuity, albeit on a voluntary basis, between meetings. Issues raised at these meetings cover such areas as postal rates, effective bilingualism and the nature of a national voluntary organization.

Attempts have also been made by the Committee in the past year to communicate with the Federal Government on matters of concern to their national constituencies, whether these involve the future of granting programs in the Department of the Secretary of State or the development of a new national youth-service corps.

TRENDS

The Council commissioned a report on trends in these associations from Dr. Frederick Elkin, who was already embarked on a study of national voluntary associations in the general social and welfare fields.¹ He was asked to analyse his data and findings, particularly in the light of such newly emergent phenomena as the women's movement, social-action groups, English-Canadian nationalism, Quebec

¹ Frederick Elkin, National Voluntary Associations in Canada, Background study prepared for the National Advisory Council on Voluntary Action, 1976.

nationalism and the increasing involvement of government in the health and welfare area. The 80 or so associations in the sample were broken down into six categories: fraternal, health, women, youth, domestic service and international.

The findings on the impact of the women's movement on these associations illustrate that recent social trends have strongly affected the focus of national voluntary associations. Seventy-three per cent of the youth groups said they had been affected by the women's movement, while 62 per cent of the women's associations made a similar claim. Fifty-eight per cent of the international associations said that the women's movement had had some impact, and 47 per cent of the domestic service associations referred to changes in their orientation. Both the last two categories -- the health and fraternal associations -- stated that they had been influenced very little by the women's movement.¹

Most of the national associations make representations to the Federal Government. The study revealed that about two-thirds of the associations surveyed had done so in one form or another during the year preceding the study. The nature of these representations was as diverse as the associations; the 80 associations identified 60 different topics on which they had consulted with or made demands of government.

Because government programs are affecting ever more profoundly the activities of these associations at the community level, local associations are increasingly demanding that their parent bodies be more aggressive in putting their claims to government. The intricacies of government render it difficult for the local bodies to make such

¹ Ibid., p. 9

representations on their own.¹

This trend is very apparent in the case of the Canadian Association for the Mentally Retarded. Originally, its purpose was to establish and manage basic services for the mentally retarded in the community. The growing intervention of the government in the health and welfare areas has had a far-reaching impact on these voluntary services; some have even been taken over by government. In response, local associations have been assuming, on behalf of the mentally retarded, an advocacy role in their communities. These local associations have also been demanding that the national office of the association make more and more representations to government in order to ensure that the mentally retarded receive more and better services. As a result, the national association has switched from a service to an advocacy role.

From the Cooperstock study it appears that the "nationals" are receiving a growing amount of funds from the Federal Government while local associations are receiving progressively less.² One might well speculate whether the Federal Government has understood the special needs of the "nationals" or has responded to special pressure, or whether it is assuming a new responsibility for nationwide voluntary activities.

THE ROLE OF NATIONAL OFFICES

The main function of most national offices is to co-ordinate

¹ Elkin, Ibid., p. 16-17

² Cooperstock, op.cit., p. 28

the activities of, and provide services to, members and affiliates. They carry out this task by distributing informational material to the members, organizing conferences, giving support services to locals in difficulty, conducting public education programs, and performing a host of other activities.

The national office also exercises leadership in furthering the aims and objectives of the association. Usually, this involves the co-ordination of local or provincial activities -- a task which is not always easy to perform. Many national offices often find themselves locked in battles with their own memberships when they try to reconcile conflicting provincial and local perspectives and to determine who is to have effective control over the association. In spite of the fundamental importance of these tasks, the national office is also the first to suffer from any cutbacks in local budgets during times of restraint.

DIVISION OR DIVERSITY?

How effective are the "nationals" in developing structures flexible enough to accommodate the vast regional, linguistic, cultural and class differences in Canadian society? Their degree of success varies according to their objectives, the type of association and the resources available.

It is vital that national voluntary associations remain truly democratic and representative of their diverse constituencies. Lack of money is a continual obstacle in meeting this objective. High costs of transportation, postage or telephone use render it difficult for a national operation to be truly representative of all the diverse interests of its membership. The amount of resources possessed by

"nationals" places a strict limit on their effectiveness in ensuring communication among their memberships. The Council's consultations reveal that most national associations continually experience frustration because their lack of resources prevents them from operating on a national basis in the way they feel they should.

The Council heard complaints from local branches about the level of their participation in policy making at the national level of their association. The similarity of this criticism to those made of the Federal Government by Canadians living in regions outside central Canada is striking and significant. For example, some local branches in the Atlantic provinces complained that their national offices were excessively influenced by local branches in central Canada. These Atlantic branches said they were served later and less efficiently by their national office than the central Canadian branches.

Fortunately, most local branches believed that, despite these shortcomings, their national offices still constituted a needed presence at the national level. Local branches also agreed that they benefited from the resources, innovations and services which could only be mobilized by an organization operating right across the country.

One good measure of the sensitivity of a national association to the diverse concerns of its membership is its response to failures by branches to meet agreed upon quotas for providing financial or other support to the national office. To the national offices, it sometimes seems that some local branches do less than they should. National staff often complain that some regions desire only to conduct activities in their own idiosyncratic way and thus fail to meet national standards. Often, the reason for these apparent "failures" is that the region is pursuing the same general objective, but in a manner appropriate to that region. The ultimate test of the sensitivity of a national association should be its capability to sustain a common goal while

permitting different methods to attain that goal.

The existence of real empathy at the national level for opposing viewpoints within the association is also necessary precondition if national offices are to serve as effective vehicles for communication and co-operation. In addition, local branches must be willing to maintain an atmosphere of mutual respect and understanding and to compromise sufficiently for the national office to play its role. Clearly, a local branch dealing with its national association resembles very much a citizen dealing with the Federal Government. Both have every right to pursue their own interests and to criticize each other, but should compromise rather than risk breaking up the association.

There is no perfect solution to the problems arising from the diversity of the constituencies served by most national associations. However, one issue in this area does require a more in-depth discussion, both because of the serious problems it can raise and its vital importance to the very survival of the country. That issue is French-English relations.

It is obvious that national voluntary associations can contribute to the improvement of communications between volunteers and voluntary associations from the two official language-groups. There is no guarantee that improved communications will automatically resolve these problems: both sides might discover that they disagree profoundly. Certainly, there are a number of national voluntary associations which have been shaken by such disagreements. However, it is equally certain that a failure to communicate will be even more destructive.

In part, these difficulties arise from the manner in which many national voluntary associations involving English and French were

formed in the first place. The usual pattern was for an essentially English-language association to set up a French-language component. The association would then attempt to become as bilingual as possible in its national office, to set up Quebec operations or to recruit French-speaking members.

This pattern of development placed French-speaking and especially Quebec members at a disadvantage. The voluntary association was organized according to English-Canadian models of operational effectiveness and only minor adjustments needed to be made to accommodate the "French fact". However, the real problem was not just structural and did not arise only from differences in language. Cultural differences have also produced disagreements over the purposes and objectives of the association. It is these cultural differences to which national associations must address themselves.

Lefebvre, in his study for the council, attempted a more in-depth analysis of these difficulties, when he interviewed representatives of French-language associations. A majority stated that they were rarely understood by those running national associations and that French and English objectives were often quite different. However, Lefebvre discovered that almost two-thirds of his respondents believed that French-English relations had improved within national voluntary associations during the last few years. It is interesting to note that only 29 per cent of Francophones responding to a national Gallup poll in October 1976 believed that there has been some improvement in French-English relations generally. There is no reason to feel complacent about the effectiveness of the contribution made by national voluntary associations to national unity. Some 60 per cent of Lefebvre's respondents stated that the conflicts between English and French-language members of national associations will be very difficult to resolve. Seventy per cent of his Quebec respondents stated that the "national" priorities of these associations were too

often unrelated to the Quebecois' priorities.¹

Only in a few cases did a different pattern of French-English relations emerge at the national level. One of these was to create parallel but co-operating English-language and French-language voluntary associations at the national level. The Institut canadien d'éducation des adultes and the Canadian Association for Adult Education are good examples of such parallel structures. Both of these have received grants of equal size from the Federal Government.

MAKING BOTH ENDS MEET

In a country of such size and linguistic and cultural diversity as Canada, the national offices of voluntary associations must assume many special and burdensome roles. Their fulfillment often requires such large expenditures that they strain the fund-raising capabilities of the association.

For example, if their boards and committees are to be representative of their members, travel costs must be subsidized. Otherwise, only the affluent or those subsidized by their employers can participate in decision-making. Airlines do not recognize reductions for volume purchases. The new internal charter fares are also not practical for members attending annual meetings of their associations because usually too few members are going to that meeting to charter a special flight. The stopover periods required by these charter flights are much longer than the time usually needed for an annual

¹ Lefebvre, op.cit., p. 5.2.

meeting. Charter reservations must be far in advance of the actual flight; this provision also poses a problem, given the relatively shorter notice for meetings convened by voluntary associations. In the case of excursion flights, stopover periods are also generally too short or too long, given the length of most national association meetings.

Communications between board members, staff and volunteers are also very costly in a country as large as Canada. In this age of electronic communications, the telephone is a major tool for such communications. Unfortunately, the cost of long distance calls is prohibitive for many voluntary associations operating on a national basis. The recent rises in postal rates have not improved this situation. The Committee of National Voluntary Organizations has extensively documented these communication costs and identified them as an obstacle to the effective working of these associations. This situation is hardly surprising, given that the national associations serve mainly as distributors of information to their members right across Canada and to the Canadian public.

It should be noted that the Council will, in Chapter 12, be making recommendations for the improved access of voluntary associations to government communications facilities. Clearly, the acceptance of these recommendations is fundamentally important to the continuing effectiveness of national voluntary associations.

In a country with two official languages, there is also an obvious need for national associations to become functionally bilingual. A recent study of these associations has revealed that most of them tend generally to communicate more in English than in French. In one sense, this failure is not very surprising. As the Public Service Commission pointed out, "...the achievement of equal opportunity in the

private sector is much more complex and difficult a task than its achievement in the realms of education and government."¹ The Royal Commission on Bilingualism and Biculturalism has also emphasized that, when a national voluntary association lacks this bilingual capability, it encounters a whole host of difficulties. Outside translations are expensive and usually involve long delays. As a result, associations cannot effectively communicate with or involve members of the other language group. Until the association is fully bilingual, these problems cannot be resolved. Unfortunately, the acquisition of a bilingual capability is usually an expensive process.²

In the last few years, the Department of the Secretary of State has provided grants to national voluntary associations wishing to acquire some sort of bilingual capability. This first type of grant can be highly useful in paying the many expenses involved in rendering an association bilingual -- including its translation needs and courses for its executive members and key officers. Sometimes, even the salary of a translator is paid for by the department.

The Department of the Secretary of State also provides grants to pay for the translation and interpretation costs incurred at the national meeting of a voluntary association. Unfortunately, notification whether an association has received such a grant often arrives at the last minute, with the result that the association sometimes incurs expenses it can ill afford unless it actually receives the grant.

¹ Quoted in Novia Carter, Bilingual Requirements of National Non-government Organizations, (Ottawa, Canadian Council on Social Development, 1975), xiii.

² Both the Carter study and Book VI of the Report of the Royal Commission on Bilingualism and Biculturalism provide useful and still largely relevant discussions of the problems and opportunities presented by French and English participation in national voluntary associations.

In the long run, most national offices will have to recruit staff capable of developing effective programs for both linguistic groups or of keeping in close contact with parallel associations from the other culture. Clearly, there is much more to be done if national voluntary associations are to become fully bilingual and bicultural. Indeed, some associations are encountering difficulties in becoming truly bilingual, and one wonders how they will manage to become genuinely bicultural.

There can be little doubt that the present Secretary of State Department program should be continued and even expanded; its procedures for the selection and notification of grant recipients could also be streamlined. There are also other contributions which the government, particularly the Secretary of State Department, could make. For example, the Federal Government has extensive facilities and resources allocated for translation purposes. There is no reason why these could not be made available to voluntary associations. Thus, the Council recommends that:

- (33) THE DEPARTMENT OF THE SECRETARY OF STATE IMPROVE THE ACCESS OF NATIONAL VOLUNTARY ASSOCIATIONS TO GOVERNMENT TRANSLATION AND INTERPRETATION FACILITIES. THE COST TO THESE ASSOCIATIONS OF USING SUCH FACILITIES SHOULD BE MINIMAL.

Some members of the Council also suggested that the Federal Government allow national voluntary associations to use government conference centres and meeting facilities for national meetings.

In one sense, the resolution of the problems faced by national voluntary associations depends upon an imaginative and determined effort to find ways of rendering the needed resources available. The associations must not just wait passively for government to start handing out such assistance. Rather, they must actively seek out such

assistance and make their case very clearly.

NEED FOR A NATIONAL PERSPECTIVE

The meetings, conferences and exchanges sponsored by associations often provide the sole opportunities for many Canadians to meet together in a frank and open atmosphere. In this way, the large regional and cultural differences in the country can be understood and perhaps even spanned.

There is some difficulty in quantitatively measuring the impact of such opportunities, or assessing whether organizational claims that they bridge such regional and cultural differences are valid. However, it seems inconceivable that, among the individual members of national voluntary associations, some degree of personal empathy for those from other regions and cultures would not emerge.

National voluntary associations can also enhance public awareness of many different issues and even become opinion-makers in their areas of expertise. Certainly, they have done so in the past and there is no reason why they cannot continue to do so in the future. In fact, Lefebvre discovered that 74 per cent of the French-language groups in his sample believed that the best way to influence government was to alert public opinion.¹

It follows that national associations play a special role in relation to the Federal Government. Because they have constituencies right across Canada, "nationals" can make representations to the

¹ Lefebvre, op.cit., p. 3.94.

Federal Government on matters which directly concern Canadians from coast-to-coast. Thus, these associations express a national interest, as distinct from a purely local, regional or even federal interest. It is, therefore, only appropriate that government indicate its willingness to deal directly with such associations and facilitate their work on the national level. Certainly, such a commitment would be an important means of involving Canadians in a constructive fashion in the affairs of government.

If "nationals" wish to be truly national in their orientation and effective in their consultations with government, they must be certain that they have properly and fully documented the views of their constituencies. Even though there may be extensive delegation of powers within a national association, it would be highly inappropriate for a national executive, and even less a national staff, to be the only representatives of an association to deal with the Federal Government. Communication at the national level must not preclude communication with members and staff at other levels of the voluntary association. In the final analysis, the Council believes that the Federal Government should consult not only with the "nationals" but also with local and provincial associations.

This chapter has shown that the question of national unity is particularly relevant to national voluntary associations. Though these associations already render a contribution to national unity, they should also ask themselves whether this contribution is adequate. Many need to evaluate their own activities in order to ensure that they are responsive to their local communities, or at least headed in the right direction.

Through such evaluations of their policies and programs, they will learn whether they truly reflect the diversity of Canadian society. During such evaluations, they should ask the following

questions: Are they really operating only in one language and then translating it into another? Are representatives of Canada's two cultures working together to produce effective action? Do their structures permit full participation by members in every area of Canada? If not, is this situation acceptable to persons whose participation is limited? What can they learn from others?

Accordingly, government should recognize the need for "nationals" to participate in this process of evaluation and provide concrete support and encouragement.

PART 3

The Role and Responsibility of the Federal Government Towards Voluntary Action/Voluntary Associations



Chapter 7

The Argument for Federal Government Action

COUNCIL'S APPROACH

Though the Federal Government and voluntary associations have been working together more and more in the last 15 years, few persons on either side have stopped to question that relationship. The Council believes that, before any future developments in this relationship can be discussed, it is necessary to analyze the existing interaction between government and voluntary action. More important, there is a fundamental need to reaffirm the reasons for this relationship and alter it if it has developed in inappropriate ways.

It is obvious that interaction between individuals and such institutions as government is both inevitable and desirable in any society. It is the nature of that interaction which must be continually re-examined. In a democratic society, the government also has no legal right to intervene unnecessarily in the freely chosen activities of individual citizens; indeed, it has a responsibility to encourage such activities. Voluntary action is, of course, individual citizens acting freely and independently to meet personal and social needs. It follows that the Federal Government, as the government of all Canadians, has an overriding responsibility to support voluntary action as a necessary and vital component of the Canadian way of life. The following questions must then be faced: What type of support? How should it be provided, and under what circumstances?

Another way of raising much the same question is to ask whether it is the right or privilege of voluntary associations to receive government support. Some of the people encountered during Council's consultations went so far as to say that all voluntary associations have a right to government support, though they had considerable difficulty justifying this position. In the Council's view, such a contention is highly debatable. The Council also does not believe that the Federal Government has a responsibility to provide direct assistance to voluntary associations upon request. No voluntary association has an inherent right to direct support. If it did, government would need a never ending supply of funds and resources.

NATURE OF GOVERNMENT'S RESPONSIBILITY

The Federal Government is responsible above all to the people of Canada. It has to ensure that there is a general social, economic and political climate in which the basic needs of the people can be met, their basic freedoms can be exercised, and opportunities for growth and a better life can be accessible to all. Where equality of opportunity is not present, government has an obligation to correct the imbalance. In particular, government has an overriding responsibility to remove any and all barriers to equal participation in the democratic process and equal access to government. No person or institution should have a privileged position.

Two inferences can be drawn from this delineation of government responsibility. First, the government has an obligation to ensure that the conditions exist for the flourishing of voluntary action. The most fundamental of these conditions are the basic freedoms of action and association. If these are suppressed, voluntary action is clearly in serious danger because it constitutes a fundamental expression of

these freedoms. Second, government has a responsibility to ensure that the principal vehicle for voluntary action, the voluntary association, operates in a climate where it may emerge and develop according to the needs of the people. More practically, government must ensure that these associations have equal access to grants and other means of support. They should also have the same opportunity as other institutions in society to make their voices heard.

The government's responsibility is, of course, shared with other institutions in society and other levels of government. Because it is shared, each party must be fully aware of its own responsibility, but be prepared to act in order to provide a necessary balance to the activities of others. Much of what the Council recommends involves co-operation with others and much pertains to fundamental initiatives which only the Federal Government has the power to take. Hence, a strong leadership role is required of the Federal Government, as well as a firm commitment to a policy of encouraging voluntary action, as emphasized in Chapter 1.

People must feel they can influence the direction of the country's development. Voluntary action is one means whereby people can actively participate in activities affecting contemporary society. Such participation is especially important in the present period of political, social and economic stress. Some observers have stated that many government policies have failed because citizens feel they have no role to play in their society and consequently do not identify with these policies. People who believe and feel that they have a personal stake and involvement in the workings of their country have a deeper commitment to overcoming that country's difficulties.

Government must realize that inaction often has a negative impact upon voluntary action. If the climate for voluntary action changes and the government does nothing to offset the negative effects

of this change, then voluntary action suffers. On the other hand, ill-considered interventions can produce distortions in the evolution of voluntary action. In the past, government has had many programs which have had a profound impact on voluntary action. Often, these are set up and then withdrawn, both on very short notice, thereby massively dislocating the programs, activities and effectiveness of voluntary associations.

For this reason, voluntary associations frequently perceive government as the source of their difficulties. There is also a feeling that bureaucrats are exercising too much discretionary power. Many argue too that government has preempted areas of social development which are sometimes best handled by voluntary associations. This view was expressed frequently in the Council's consultations. Representatives of associations often stated that government was unnecessarily invading areas of voluntary activity and setting up bureaucratic structures to supply services which could have been more effectively provided by voluntary associations with minimal governmental support.

Other representatives of voluntary associations expressed the belief that solid, ongoing programs were losing government support in favour of programs experimenting with alternative life-styles or innovative services. Time has helped correct some of these problems, but there is still a strong current of feeling that the government is too big, complex and insensitive and, therefore, at its very best, an unfortunately necessary evil. Clearly, it is vitally important that government policies reflect a real understanding of voluntary action in all its diversity.

For the most part, governmental support for voluntary associations will rest on the recognition that they are an important manifestation of voluntary action and, in individual cases, on a pragmatic estimate by government of their social value and the chances

of their survival without such support. More specifically, in individual cases, such support could be based on the need for the services or expertise offered by an association, the value of its contribution to policy debates, its representativeness of a community or even the importance of encouraging alternative viewpoints in a pluralistic society. This list could be endless.

Government support for advocacy and social action raises an additional issue. When groups or organizations advocate social measures, they will, more often than not, criticize the very government from which they are receiving funds. It is the Council's view that funding an unelected opposition does not derive from any right of the opposition to such support. Rather, it is the responsibility of government to ensure that all possible voices are heard, including dissident voices; and that, on every issue warranting public debate, as many options as possible are presented, documented and considered. Such an approach is a basic condition for an effective democratic process.

In this context, the distinction established by Justice Thomas Berger, Chairman of the MacKenzie Valley Pipeline Inquiry, is highly useful. He advocated subsidizing groups, not because they represent the public interest, but because it is in the public interest that they participate. In other words, government support of individual social-action groups does not derive from any inherent right they possess. Rather, it arises from the general recognition that the public interest could best be served by support for such groups to ensure their participation in a public debate. In the Council's opinion, government should take the same position as Judge Berger. In more practical terms, the responsibility to provide such support could arise from the need to correct an imbalance of power, to ensure that all sides are heard, to have policy alternatives presented, to make sure that a dominant interest becomes less dominant or to permit those with fewer resources to compete with those with more. Public interest should be

defined broadly to include as many different opinions as possible -- with the exception of those of dissident groups advocating the overthrow of our institutions by unlawful means.

Much of the tension between government and voluntary associations arises from the different perspectives each has of voluntary effort and the reasons for its support by government. Government tends more to emphasize the job being done than the voluntariness of the association. The voluntary association emphasizes both the activity and its voluntary performance. The Council believes that the rationale for government support does not rest on either the social value of a voluntary activity or the voluntary nature of that activity. Rather, it rests on both, examined in conjunction with each other.

The great surge in government spending during the 1960s is now past history; in the 1970s, there is a growing realization that governments do not have bottomless reservoirs of money. As governments -- municipal, provincial and federal -- cut back funding for services, there will be an even greater need for volunteers than there is at present. The rationale for using volunteers is simply that the job must get done. It may also, in many instances, cost less to do it with volunteers; and sometimes it may even be done better.

These facts suggest the need for a concerted effort on the part of government and voluntary associations to ensure that more tasks are done by volunteers and sufficient funding is available to support them in their endeavours. It will be important for government, not necessarily to spend more money, but to spend existing funds in different ways. However, in considering this question, government should by no means view volunteers as a form of "cheap labour". Rather, they are Canadians who find it in their interest to give time and energy towards improving their communities.

Volunteers work millions of man-hours and constitute an immeasurable reservoir of social energy and concern. This resource must be developed and nurtured. If volunteer efforts diminish -- and this possibility is real, unless firm public commitments soon materialize -- this country will be the poorer for it. Our greatest natural resource is our people. Only by acting to ensure that this resource is fostered can the strength and vitality of this country be assured. For these reasons, the Council wishes to recommend that:

- (34) THE FEDERAL GOVERNMENT AFFIRM IN PRINCIPLE AND THROUGH POLICY ITS RESPONSIBILITY TO SAFEGUARD THE BASIC FREEDOMS OF ACTION AND ASSOCIATION THROUGH CREATING CONDITIONS WITHIN WHICH CANADIAN CITIZENS ARE ENABLED, ENCOURAGED AND ASSISTED TO ACT VOLUNTARILY ABOUT THOSE MATTERS WHICH CONCERN THEM.
- (35) GOVERNMENT ENSURE THAT VOLUNTARY ASSOCIATIONS HAVE EQUAL ACCESS TO GRANTS AND OTHER MEANS OF SUPPORT, EQUAL OPPORTUNITY TO MAKE THEIR VOICES HEARD AND THE MEANS TO EMERGE AND DEVELOP IN ACCORDANCE WITH THEIR OWN NEEDS, CONCERNS AND PRIORITIES.

Chapter 8

Federalism, Decentralization and Voluntary Action

INTRODUCTION

It came as no surprise to the Council that the exasperation and desperation of people engaged in voluntary action peaked when they began to discuss the complexity of modern government. In consultations and other Council research, representatives of voluntary associations repeatedly recounted to the Council stories about their difficulties in identifying the proper level of government -- whether municipal provincial or federal -- with which they should be dealing. Often no level of government would take responsibility for an area of concern voiced by these people. Even if it was possible to identify the correct level to contact, they still had to engage in an endless search for the correct department or official. This frustrating search, complicated as it usually was by unexplained and intricate procedures, led many voluntary associations to wonder whether governmental support was worth the effort in the first place. In fact, to all too many associations, government was not a source of support, but a bewildering maze.

Most voluntary associations concede that the machinery of government is now of necessity more complex than in the past. For this very reason, they believe strongly that new and vastly improved access must be given to volunteers and voluntary associations if they are ever to collaborate effectively with government or obtain its support.

Also frustrating is their lack of influence over governmental policies affecting voluntary associations and their communities. It is essential that the concerns of these communities be sought out and taken into account by governmental policy-makers if a democratic system and form of government are to be preserved.

In short, people engaged in voluntary action, as well as most Canadians, demand that there be a larger element of democracy in this complex system of government. The Council strongly agrees. Government must be brought closer to the people, not only if its policies are to succeed, but also if the needs of the people are truly to be met.

FEDERAL-PROVINCIAL RESPONSIBILITIES

The Council did not wish to comment on the distribution of federal-provincial responsibilities because the issue itself was seen as being outside its mandate. However, many Canadians involved in voluntary activity are very concerned that federal-provincial discussions leading to possible realignments in federal/provincial responsibilities and programs have ignored the whole question of voluntary action. In addition, Canadians in general have been concerned about the unresponsiveness of federal and provincial governments, whether alone or in concert, to their needs and demands.

Voluntary associations often find themselves acting in areas where jurisdictions are shared or subject to conflicting interpretations. They feel that they are frequently the victims or pawns in federal-provincial disputes. More seriously, they have often felt overlooked altogether in federal-provincial conferences held between ministers and senior public servants behind closed doors. Because low priority is given to consideration of the ramifications for voluntary action of

decisions made in such conferences, the problems created for voluntary associations are frequently severe.

The Council listened in its consultations to the woes of all too many associations wholly confused and frustrated in their efforts to get vital information on grants from two or even three levels of government, all of which were characterized by considerable complexity. Too many other voluntary associations made solidly supported complaints about the strain of meeting different and sometimes conflicting sets of administrative demands from federal and provincial governments. Most serious of all, there were all too many associations stating that their legitimate and useful projects were not supported by either level of government because both levels of government disclaimed responsibility for that area of voluntary concern or interest.

The Council believes that provincial governments have the same responsibility as the Federal Government to encourage voluntary action. In this respect, it should be noted that Council's studies reveal that the problems faced by voluntary associations in dealing with provincial governments are much the same as those they experience when relating to the Federal Government. In short, both levels of government are failing in similar ways. The general criticisms levelled at federal policies in this report may well be equally applicable to provincial governments. However, because the Council's report is directed to the Federal Government, an exhaustive study of provincial governments was not undertaken.

Nonetheless, the Council calls for the same basic commitment on the part of both federal and provincial levels of government. Both must recognize that their interaction can have enormous ramifications, both good and bad, for people engaged in voluntary action. These governments' lack of concern for voluntary action as they deal with each other is inexcusable. More priority should be given in the whole

sphere of federal-provincial relations -- whether at ministerial conferences or administrative consultations -- to a consideration of the specific implications of their outcomes for voluntary action. The very success of a federal system depends upon a concerted and co-operative effort by both levels of government to encourage voluntary action. For this reason, federal and provincial governments might well consider a separate conference to discuss the problems the present operation of the federal system creates for those engaged in voluntary action.

The Council has noted that control over an increasing number of important decisions is moving from Parliament and the provincial legislatures into federal-provincial forums. This trend is creating one more obstacle to participation by people in their government. The decisions taken and the issues discussed in the federal-provincial conferences should be rendered more accessible to the Canadian people who are so profoundly affected by their outcomes. This high level of secrecy can only serve to alienate individual citizens and voluntary associations and lessen their respect for and acceptance of the political process.

DECENTRALIZATION VERSUS CENTRALIZATION

Popular demands that decision making should occur closer to the people are growing in number and intensity. At the same time, many sound programs are not receiving the support they deserve because citizens, having been excluded from the decisions which created these programs, neither understand nor sympathize with their objectives. For this reason, the Council gave careful consideration to the best ways and means of involving citizens in and permitting them to respond to governmental decisions affecting them and their communities.

Can citizens relate better to programs and policies when government is centralized? Should government rely on highly sophisticated, technical systems to provide standard, uniform and socially accepted solutions to the problems arising in Canada? Or should government involve citizens throughout Canada in its decisions in order to ensure that it is responsive to their communities and to permit a measure of diversity?

Though neither route should be regarded as a panacea, the Council's studies and consultations would support decentralization as the better route. It should, however, be viewed only as an instrument and be carefully monitored. There is also no absolute guarantee that decentralization will, in fact, give the people a greater measure of influence over decisions affecting them, or, indeed, a greater understanding of or sympathy with governmental programs and policies, and ultimately the democratic process.

In its consultations, the Council quickly became aware that, in fact, citizens are demanding not decentralization for its own sake but democratization of governmental institutions -- and, in particular, those of the Federal Government. The creation of regional and district offices governed by broad general guidelines, but with the authority to respond sensitively and decisively to regional differences in opinions, concerns, interests and needs would in the end serve Canadians and voluntary action better than a more centralized system.

For instance, if such decision-making power as is compatible with efficient co-ordination and administration were given to the regional and district offices of government departments, and if effective mechanisms were created for consultation with the people, programs would be more successful and perceived as such by the people they serve. There can be little doubt that simple proximity -- that is, the fact that regional and local offices would be closer and therefore more accessible than Ottawa -- enables more direct communication

and consultation. In addition, government officials in regional and local offices will be able to acquire a personal understanding of the particular needs of voluntary associations and therefore will be less likely to assess them only in terms of objective criteria set for some national average. Such an approach to decentralization would also serve to rebuild the climate of trust between the government and the people, and destroy the suspicious view of that relationship as one between "us" and "them". The Council, therefore, recommends that:

- (36) THE FEDERAL GOVERNMENT PURSUE A POLICY OF DECENTRALIZATION CONSISTENT WITH EFFICIENT CO-ORDINATION AND ADMINISTRATION, PROVIDED THAT EFFECTIVE GUIDELINES ARE MAINTAINED FOR ENSURING EQUAL OPPORTUNITY FOR CONSULTATION BY ALL CANADIANS.

In many ways, given the present climate, this recommendation is a minimal one. Many Canadians expressed exasperation to the Council with the government's present piecemeal and secretive approach to decentralization and argued that it was offering the illusion rather than the reality of consultation and decentralization. The Council noted that some federal departments were doing nothing at all to decentralize. Others were planning to move certain administrative functions out into regions and communities, while retaining central control in Ottawa. Others have taken concrete steps to move certain decision-making powers into offices outside Ottawa, though in some cases these offices are reluctant to assume these new responsibilities.

The public response to these activities has generally been skeptical. Some Canadians have stated that the whole exercise may be no more than administrative and that it could well result in the insertion of another layer of bureaucracy between the government and the people. One woman from St. John's, Newfoundland, pointed out in a consultation with the Council that a Halifax office was of very

little use to volunteers in Newfoundland because the Halifax office sent grant applications to Ottawa for final approval or disapproval, anyway. She also stated that, even though the final decision was made in Ottawa, she could not deal directly with Ottawa officials. In fact, when she tried to do so, Ottawa officials returned her letter with instructions to mail it to the Halifax office. They would not even redirect it themselves to Halifax. Other participants in the same consultation indicated that a Halifax office can be as remote as an Ottawa office in its understanding of Newfoundland needs, problems, interests, and concerns. For that matter, a regional office in one part of a province rarely understands the situation in another part of the same province.

Others described how they spent considerable time with regional officers explaining programs, perceptions, needs and problems. Later, they would discover that these regional staff, though sympathetic and understanding, were powerless to act and had very little influence on senior officials in Ottawa.

The Council also questioned civil servants, both in the regions and in Ottawa, about the meaning and implications of decentralization. Some stated that their lack of power to deal with discretion and authority in regions was frustrating to them. Others stated that they were apprehensive about the movement of decision-making processes into the regional offices because they would have to engage in much more extensive consultations with grant recipients and the public at large. They were afraid such consultations would prevent them from carrying out their jobs and expose them to public attack.

It is too early to reach a final verdict on whether decentralization works because no such policy appears to have been fully implemented or tested. It is certainly legitimate for government

to be concerned that decentralization does not become synonymous with fragmentation. However, such a possibility will not become a reality if a strong, centralized, co-ordinating function is maintained and adequate overall policies are set. Voluntary associations generally do not want totally different programs in different regions, but rather a degree of influence upon the shaping of the overall program and a degree of variation in the administration and delivery of services.

Some decentralization could also lead to more involvement in, and general acceptance of, government programs. At the present time, regions and communities ignore their shared needs and common interests and often compete bitterly for a larger share of the federal pie. If they lose in this competition -- as many do -- they complain about federal biases and insensitivity. Obviously, it is in the interest of the Federal Government to create effective consultation mechanisms and improve its responsiveness through a deliberate program of decentralization.

In practice, such a program of decentralization should mean the bestowal of a larger role on the regional and local offices of federal departments. There is considerable need for the government to examine systematically the means by which these offices can play such a role effectively. These future roles should also be examined in light of provincial responsibilities and the need to cooperate and consult with provincial bodies with similar responsibilities.

However, the overriding concern of the Federal Government in such an endeavour must be to ensure that these offices are responsive to the people and able to consult effectively with them. In short, provision must be made for effective consultation mechanisms. These must be carefully conceived and planned to ensure genuine and equal opportunity for consultation by the people affected by departmental

policies. Every effort must be made, not only to encourage groups to participate in such consultations, but also to ensure that their views are taken seriously. If their views are accepted, then they must be made aware of this fact. If they are rejected, it is vital that a reasonable explanation be given. With all too few exceptions, such an approach would constitute a dramatic departure from existing arrangements.

The staff in regional and local offices -- particularly those personnel dealing directly with the people and voluntary associations -- must also have the skills, knowledge and attitudes needed to ensure their success. It will be necessary to inculcate these staffs with an understanding and empathy for voluntary action and provide them with the skills and knowledge for dealing with its particular manifestations. These training programs should be both systematic and carefully conceived to ensure that regional and local staff are able to understand and act effectively in response to the specific needs, problems and opportunities presented by local people and those engaged in voluntary action.

The importance of such training cannot be overemphasized, given the new and frequently difficult position in which these regional and local officials will find themselves. As members of a federal department, they will be expected to follow departmental guidelines and will, in the final analysis, be responsible to their departmental superiors. At the same time, they will have to be responsive to local people if they are to retain their credibility and usefulness. In short, like the Roman Janus, they will have to face two ways. Unlike him, they will be expected to balance understanding of federal authority on the one hand and varied local concerns on the other, without being inextricably tied to one or the other.

There are many potential pitfalls in the operation of regional

and local offices. For example, their staffs, because they are so close to client groups, may become quite subjective in their decisions and even become embroiled in local rivalries. However, with effective guidelines and the careful monitoring of these guidelines, there is no reason why such problems cannot be solved. Certainly, a genuine policy of decentralization should not be judged in terms of past experiences with regional or local offices.

It must be admitted that these staffs will find themselves in a considerably more exposed position than public servants in the past. Because they will be dealing directly in consultations and other forums with the public and voluntary associations, they will be highly visible in their localities and therefore subject to public criticisms which public servants in Ottawa normally do not have to face. In such circumstances, they will still have to retain the toughness and independence to make unpopular decisions and withstand public attacks on their activities, without losing their empathy and understanding for those who might well be making such attacks.

In conclusion, it can be seen that there is obviously a need not just for an increase in the number of regional and local offices, but also for an increase in the responsibilities of such offices, a clear definition of those responsibilities, effective consultation mechanisms, and a systematic approach to the selection and training of personnel working in those offices. Only if such an approach is taken can decentralization mean a real rise in the responsiveness of government to the Canadian people and those engaged in voluntary action. The Council, therefore, recommends that:

- (37) EACH DEPARTMENT DELEGATE TO ITS REGIONAL AND LOCAL OFFICES GREATER BUT CLEARLY DEFINED DISCRETIONARY AUTHORITY:
- TO PROVIDE ASSISTANCE TO VOLUNTARY ACTION/ASSOCIATIONS;

- TO SET UP EFFECTIVE CONSULTATION MECHANISMS IN THOSE OFFICES; AND
- TO TRAIN THEIR STAFF IN THE SKILLS AND ATTITUDES NEEDED TO RESPOND EFFECTIVELY TO THOSE ENGAGED IN VOLUNTARY ACTION.

The Council has stated that voluntary activity is a dynamic process which should be evaluated as an ongoing and vital element of Canadian society. A similar comment can be made about federalism. As pointed out by Carl Friedrich, "Federalism should not be seen only as a static pattern or design, characterized by a particular and precisely fixed division of powers between governmental levels. Federalism is also and perhaps primarily, the process of federalizing a political community."¹ Citizens, therefore, have a right to shape and influence the federal authority because, together, they, in fact, are the political community.

¹ Carl Friedrich, Trends of Federalism in Theory and Practice (New York: Praeger Press, 1968).

Chapter 9

Interaction Between the Federal Government
and
Voluntary Action/Voluntary Associations

INTRODUCTION

Interaction occurs in varying ways between the Federal Government and those engaged in voluntary action. The Council was less concerned with the nature of this interaction than with its actual effects on voluntary action. Thus, in examining these varied types of interaction, the main question raised by the Council was the degree to which each type of interaction contributed to the flourishing of voluntary activity.

Generally, when the Federal Government speaks of its interaction with voluntary associations, it means direct financial aid. In this report, direct financial aid is defined as outright grants and payments to voluntary associations out of the federal treasury. The government also provides indirect financial assistance. It is defined as adjustments to legislation, which precipitate shifts in the circulation of money within the economy, thereby stimulating the flow of money from private donors to voluntary associations in other ways.

Non-financial assistance to voluntary associations represents another very important mode of interaction. Such assistance can be direct, as occurs when the government provides support services to voluntary associations. It can also be indirect, as occurs when government policy and actions aimed at another objective enhance voluntary activity. It should also be emphasized that government policies

directed at an area unrelated to voluntary action can have a negative impact on voluntary action. This last mode of interaction is very difficult to measure, though there can be little doubt that the consequences for voluntary action of government policies aimed at other areas have been a source of grief to many a voluntary association.

This distinction between financial and non-financial interaction is only put forward for analytical purposes. The final result for the association is usually financial.

FINANCIAL INTERACTIONS

The Council will devote an entire chapter -- Chapter 10 -- to an examination of the direct financial assistance received from the Federal Government by voluntary associations. At the outset, it should be recognized that the Federal Government provides large and ever increasing amounts of direct financial aid to voluntary associations. Through consultations and interviews with government officials at all levels, the Council examined the different types of direct financial aid and their respective effects on voluntary activity.

While many voluntary associations desired a larger amount of direct financial aid, many more were concerned about the practices, procedures and policies used by the Federal Government in dispensing such aid. Again and again, persons engaged in voluntary action asked the Council such questions as who was eligible for direct financial assistance, how they should go about finding out about and applying for such aid, and under what terms they would receive it. These are the fundamental questions upon which Chapter 10 will focus.

In addition, many voluntary associations complained about the

lack of rationality in the process by which grants are dispensed by the Federal Government. There would appear to be no overall set of coherent guidelines and principles to govern the distribution of direct financial aid. The formulation of such principles should be a paramount concern to the Federal Government.

Indirect financial assistance to voluntary associations is described in Chapter 11. Only the government can provide such assistance through changes in legislation which can take two forms. First, they can involve the creation of tax or other concessions for the voluntary associations themselves. Second, they can involve the creation of tax or other concessions for citizens, corporations or other private institutions. In effect, this second type of legislative adjustment gives to these individuals and institutions incentives to increase their assistance to voluntary associations, whether in the form of time or -- as is most often the case -- in the form of money. Ultimately, both types of measures are intended to improve the financial position of voluntary associations, usually by stimulating the flow of private assistance to voluntary associations and therefore diversifying the source of funding for such associations. That at least is the theory. There is, however, no guarantee that all such money will be contributed to voluntary associations.

There is a fundamental difference between direct and indirect financial assistance. In the case of direct financial aid, government itself decides whether to assist with grants or some other payments, a particular voluntary association or voluntary action in general. With indirect financial assistance, the decision whether to support voluntary action rests with citizens, corporations and other private institutions and will depend upon their generosity, their social concern, their wealth and a host of other factors. The role of government is to develop a favourable climate for support of this nature, but the ultimate decisions rest with citizens. It can be seen, then, that indirect

financial assistance increases the freedom of citizens and private institutions to act according to their own priorities, interests and concerns. In effect, it renders their contributions voluntary -- an important consideration when one recalls that the object of their support is voluntary action.

NON-FINANCIAL INTERACTIONS

Non-financial interaction between the Federal Government and those engaged in voluntary action is so broad in scope that it does not lend itself to rigorous definition. It can take two forms. First, it includes all federal action directed at voluntary action in particular. Second, it includes federal action which, though directed at other institutions and sectors of society, affects the conditions for voluntary action.

In Chapter 12, the Council will examine several ways in which the government could channel more direct non-financial assistance to those engaged in voluntary action. Suggestions for such assistance will cover everything from general attitudinal changes within government to the provision of training facilities for volunteers to the increased availability of governmental experts to improvements in the access of voluntary associations to governmental research, information and services, to the training of governmental staff to deal more effectively and sympathetically with those engaged in voluntary action.

In many ways, the willingness of government to provide such support will determine whether voluntary action flourishes or wanes. For it is in this area that government has its most profound impact on the climate for voluntary action. Money may be important to voluntary associations, but the helpful or un-helpful attitude of government

towards voluntary action will often have far-reaching implications for the climate in which voluntary activity occurs. Indeed, it is in this area that a real and mutually beneficial relationship must emerge between the Federal Government and those engaged in voluntary action. For this reason, the Council wishes to emphasize that it has no doubt at all that government could be doing considerably more in this area. Quite simply, there is a need for a real commitment to action based on the often repeated statements by government officials about participation.

Indirect non-financial assistance includes policies and programs which are geared to other concerns in society in such a way that their by-product is the encouragement of support for voluntary action. Though this area does not lend itself to empirical analysis, there is no denying the reality of such support. One example is a fairly long-standing policy of the Canadian Radio-Television and Telecommunications Commission, (CRTC). In order to ensure that the national broadcasting system reflects the diversity of Canadian society, the CRTC requires cable operators to set aside a channel for community programming. As a result of this policy, large numbers of voluntary associations are able to air their concerns on television, thereby attracting more volunteers and support from the public.

This example demonstrates that there is much more government could do to create a better climate for voluntary action. However, before either more indirect or direct non-financial assistance will become available, policy-makers and public servants will have to become much more conscious of the needs, concerns and characteristics of those engaged in voluntary action. More important, government must give a much higher priority to encouraging genuine voluntary action which involves much more than a superficial acquiescence to government policy. It is the responsibility of government to ensure that this new awareness of and concern for voluntary action emerges at both the political and administrative levels.

The need for such a change becomes apparent when one considers that government continues to formulate policies and procedures which have a negative impact on voluntary action, even though they are intended to affect some institution or ameliorate some social economic problem apparently unrelated to voluntary action. These detrimental effects can be quite unintended, as is the case when government explores the possible effects of its policies upon voluntary action, but makes an error in estimating them. At other times, government may take action in a certain area without recognizing that there is a relationship between that area and voluntary action. Finally, a government agency may attach such low priority to voluntary action that it simply does not care if its policies have serious repercussions for voluntary action.

One example of such a policy was described in Chapter 5. The original Anti-Inflation Board Regulations required businesses to combine charitable contributions and advertising expenses and freeze allowable expenditure increases in this area. The reason for this requirement was that the Anti-Inflation Board wished to prevent companies from inflating their promotional expenses and thereby falsely reducing their profits in order to justify rises in prices. If the regulation had not been changed, its indirect effect would have been that corporate contributions to voluntary associations remained constant or fell at a time when the demand for voluntary services was rising because of freezes or cutbacks in government services. Similar unplanned side effects have occurred in the areas of labour legislation, transportation policies, and many others.

Clearly, there is an imperative need for government to examine very carefully the implications for voluntary action of its policies and programs directed at other institutions and sectors of society.

CONCLUSION

The next three chapters will focus entirely on the types of federal support and assistance to voluntary action. However, they will by no means be exhaustive; rather, the Council will attempt to identify and highlight the most immediate problems requiring solution and those which must be studied and resolved over the long term.

It is essential that these different types of support and interaction not be viewed only in isolation. It is their entire impact on voluntary action which must be considered if the government is truly serious about its responsibility to support voluntary action. For example, general grants provided through a well administered program may be important to a voluntary association. However, the attitudes of government towards that association, as expressed by its officials, may nullify the usefulness of such grants to the voluntary association. In short, the two must be viewed in concert, just as the entire gamut of federal activities affecting voluntary action must be understood if the Federal Government is ever to have effective policies in this area.

Chapter 10

Direct Financial Aid

INTRODUCTION

Many voluntary associations regard as a mixed blessing direct financial aid from the Federal Government. They need the money, but getting it and accounting for it can be so onerous that many wonder whether the whole exercise is worth the trouble. The real underlying question for many voluntary associations is whether their continuing dependence on direct federal funding will undermine their autonomy and *raison d'être* as voluntary associations. Thus, in spite of the energy expended by many voluntary associations in securing federal money, they are essentially ambivalent about relying on the Federal Government for financial support.

Direct financial aid by the government has a long tradition in Canada. An early example is legislation passed in 1818 within Lower Canada to make public grants of money available to local agricultural societies as a means of improving agriculture in the colony. In the succeeding years, such governmental aid increased in a variety of areas, as did the propensity of government to move into areas once dominated by volunteers. For example, activities in the areas of education, welfare and culture were all wholly voluntary until control was turned over to government in varying degrees. Voluntary activity still flourishes in these areas, but its main source of financial support is now often direct grants from government.

As noted in Chapters 2 and 7, there are many important reasons why government should provide direct financial aid to voluntary associations, and new ones are continually emerging, a fact which is reflected in the many different types of direct financial assistance by government. At present, each federal department and agency has its own unique set of priorities in this area, not to mention its own unique way of reporting on its activities. Each also has its own distinct mandate and can set up its own programs, subject to Treasury Board and Cabinet approval, provide grants and contract out for needed services in the light of that mandate. Once a program has been created, its operation is determined by the departmental setting -- the internal operations of the department, its relationships with its constituency, the attitudes of its particular ministers, the political climate for its activities and a host of other factors. There is, in short, little uniformity within the Federal Government.

The extreme diversity of policies and programs in the Federal Government renders it very difficult to acquire information comparing grants made by different departments or even different programs within the same department in such areas as the provision of information on grants, grants criteria, the procedures for dealing with grants, rules for reporting by grants recipients and the evaluation of grant recipients and programs. This diversity is both good and bad. However, the lack of any central source of information on grants to voluntary associations presents a substantial obstacle to anyone attempting a study of this area.

The need for such a study is obvious. As already noted, the people engaged in voluntary action were very concerned about direct financial aid from the Federal Government, and the Council agreed that it was an area of utmost importance. Secretary of State Hugh Faulkner, in a November 1974 speech which described the Council's mandate, stated that a basic Council priority should be an examination of governmental

programs affecting voluntary action, with a view to making recommendations for their improvement. Subsequent consultations with government officials revealed that government attached particular importance to the Council's evaluation of government programs providing funds to voluntary associations.

In these circumstances, it is not surprising that Council, when it embarked on this study, expected and received assurances from government officials that it would be given access to information on grants or to those controlling that information. Unfortunately, when it came to acting on these assurances, the government's record was -- to be as kind as possible -- less than satisfactory.

Within a few months, it became clear to the Council that the only possible way to acquire the necessary qualitative information was to work through Secretary of State (the department to which the Council reports). Ministers, deputy ministers and senior officials in other departments and agencies, identified as having the heaviest involvement with voluntary action, could only be contacted through regular inter-departmental channels.

In the area of grants, there was also a clear need for statistical information depicting the amounts and types of funding by each department for each form of voluntary activity. The Council originally proposed that it set up its own research team to gather this information. This request was refused for a variety of reasons -- including the sensitivity of interdepartmental relationships and complexity of the information requested. The Council was assured that statistical information would be rendered available and that an interdepartmental committee had secured in mid-1974 a Cabinet directive instructing Treasury Board to gather such information. Council findings indicate that Treasury Board did not act on this directive, not did it act on the Council requests for this information when these were

forwarded through regular inter-departmental channels by the Department of the Secretary of State.

When no information was received or no procedures for gathering it had been set in motion by June 1976, the Council approached a senior official at the Department of the Secretary of State with the more limited request that he gather information on the amounts of federal grants, broken down into broad general categories. Although such information would not provide the in-depth study the Council had hoped to conduct, the Council expected that it would help substantiate the views gleaned from consultations with representatives of voluntary associations and from contacts with government officials. The Council first received the data from this more limited study in mid-February 1977, which was really too late for its full consideration.

The Council is grateful to the many public servants who assisted it in its efforts, though this co-operation is explicable in terms of the goodwill of individual public servants, and not in terms of any systematic policy of co-operation by government.

The real obstacle to the gathering of such information is rather difficult to define. Certainly, both voluntary action and the information needs of the Council were matters of low priority within the government as a whole. Throughout the government there also appears to be a strong tendency towards insularity, perhaps because each department and program is in competition with others for funds. The lack of any systematic procedures for collecting such information creates strong apprehension when a request is made. Whatever the reason, there can be little doubt that the system works against anyone -- an advisory council or a government official -- gathering information on matters affecting more than one department.

These problems raise a very serious question. If an

advisory council appointed by the government encounters such problems, if government officials face similar difficulties in this area, and if Cabinet directives requiring the collection of such information can be ignored, then how is a private citizen or a voluntary association to figure out what is happening in Ottawa? In many cases, they must -- like the Canadian Association for the Mentally Retarded -- hire a consultant at considerable expense to investigate government departments and determine what grants might be available to support their activities. Many voluntary associations and private citizens lack the financial resources to hire a consultant and are at a serious disadvantage when it comes to finding out about grants. In effect, this situation means that those voluntary associations which need federal financial support the most are least capable of finding out where they should go to get that support.

Thus, the Council could not effectively perform one of the major tasks it had identified, though it did manage to obtain some statistical information on direct federal funding and other more qualitative materials through its informal contacts with departmental officials. In addition, through its research studies and consultations with representatives of voluntary associations, it was able to acquire a relatively accurate impression of the problems voluntary associations encounter in their dealings with federal funding agencies. This information provides the basis for this chapter.

A STATISTICAL OVERVIEW

The consultations and studies of the Council revealed varying degrees of dependence by voluntary associations on federal funding. Statistical information for English-language associations came from the

Cooperstock study commissioned by the Council.¹ Cooperstock's sample contained 231 local associations and 76 national associations. His sample was a purposive one² and, therefore, can only provide strong indications and not conclusive findings about the dependence of English-language associations on federal funding. The statistical picture gleaned from this study is as follows:

<u>Proportions of Current Funding Received by Voluntary Assn's. from the Federal Gov't. (1976)</u>	<u>Proportion of National Associations³</u>	<u>Proportion of Local Associations³</u>
Percentage	Percentage	Percentage
1 - 9	33	26
10 - 24	7	21
25 - 49	17	24
50 - 74	23	17
75 - 100	20	13

For example, it can be seen that 43 per cent of the national associations studied by Cooperstock received more than 50 per cent of their funding from the Federal Government, while only 30 per cent of the local associations received a similar proportion. Among English-language groups, the national associations received in 1976 a much higher proportion of their funds from the Federal Government than local associations. In fact, in Cooperstock's study, every national association said that it received some funding from the Federal Government.

¹ Cooperstock, op.cit., p. 29.

² The sample was drawn from lists of various organizations but was not representative. Quotas were assigned for type of organization and region and an attempt was made to distinguish between service and advocacy groups.

³ Percentage rounded off to nearest whole number.

This state of affairs is the culmination of a five-year trend operating between 1971 and 1976. In the same study, 37 per cent of local associations reported a decline in funding from the Federal Government over these five years and 27 per cent said the decline was sizeable. In the case of national associations, the situation was reversed. Only 14 per cent reported a decline and 53 per cent said there had been an increase.¹ Clearly, there is a growing tendency within the Federal Government to support national associations. It is difficult to ascertain whether this has occurred at the expense of local associations.

In the Cooperstock study, it was also shown that local associations tend to depend more on provincial governments. Indeed, in 1976, 76 per cent of local associations described provincial governments as the first or second most important of their funding sources. Fifty-six per cent gave a similar ranking to the Federal Government. In contrast, 68 per cent of the national associations described the Federal Government as their first or second most important source of funds.² Given the proximity to, and many relationships of, the national associations with the Federal Government, the importance of the Federal Government to these associations is predictable and probably desirable. However, it is worth noting with regard to local associations Cooperstock's conclusion "...that the federal and provincial governments are major sources of funds without which the very viability of the voluntary sector would be seriously jeopardized."³

¹ Cooperstock, op.cit., p. 28.

² Ibid., pp. 23-24.

³ Ibid., p. 25.

It was also revealed in the Cooperstock study that there are some interesting variations between regions in the proportion of local associations dependent on federal funds. In the Atlantic provinces, 75 per cent of the local associations rank the Federal Government as the first or second most important source of funds for them. Comparable figures for the Prairies and Ontario are 52 per cent. The figure for British Columbia is 63 per cent. In Quebec, the number of English-language associations in the sample was so small that the figures were not statistically significant. It would seem probable that local associations in provinces receiving equalization payments are more dependent on federal support. The government may well be using its direct funding to combat regional disparities in the private and provincial government funding sources available to voluntary associations. This aspect of direct funding should be studied further with a view to taking a more systematic approach in this area.

The Lefebvre study revealed that the pattern of government support for French-language groups was quite distinctive. This study was planned in conjunction with the Cooperstock study of English-language groups and both were carried out at the same time. However, there was not enough time to conduct a second phase analysis of their findings with a view to comparing them and drawing overall conclusions. For this reason, the two studies are being described in succession.

According to Lefebvre, 48.5 per cent of French language groups outside Quebec received some support from the Federal Government, while about 37 per cent received support from their respective provincial governments. Inside Quebec, 31.5 per cent of French-language groups said they had received some support from the Federal Government, while 47 per cent said they received support from the Quebec Government.

These figures from the Lefebvre and Cooperstock studies provide an interesting departure point for a study of the relationships

between linguistic, cultural and regional differences, and the dependence of voluntary associations upon support from federal and provincial governments, respectively.

The Secretary of State Department study produced for the Council states that the total amount of money spent by the Federal Government on project grants, sustaining grants and service contracts for voluntary associations in fiscal year 1975-76 was \$198.5 million. Although the statistical data were broken down into very broad and general categories, they did confirm much of the qualitative information gathered by the Council in its consultations with voluntary associations and in its interviews with departmental officials.

Certain comments can be made about this study. First of all, it should not be forgotten that this \$198.5 million allocated for voluntary activity represents about half of one per cent of the total federal budget of \$33,979 million. This small percentage of the total federal budget was, in actual fact, divided between 52 different program areas by 24 federal departments and covered three types of financial support: sustaining grants, project grants and contracts. Finally, it would seem that the definition¹ of voluntary associations given by the Department of the Secretary of State was so broad that each department had to interpret what it meant by voluntary associations. The figures do show that by far the largest and most rapidly growing proportion of this money is being allocated for project grants rather than grants which would sustain a voluntary association over the long

¹ The Department of the Secretary of State defined "voluntary organizations" as "free associations of citizens formed to further some common purpose that is neither governmental or commercial in nature, (excludes individuals, governmental, business and private organizations and secondary or post secondary organizations; includes labour unions and professional groups)."

term. In other words, funding is becoming increasingly geared to supporting not voluntary action itself but particular projects which meet departmental objectives.

The Council believes that there is no reason to feel optimistic about a continued rise in government funding available to voluntary associations. When the Council started its mandate in 1975, it concentrated on problems associated with granting activities because, since 1970, grants had been growing rapidly in both number and amount. Now, in a time of austerity measure, the government wishes to freeze its spending and is looking to voluntary associations to increase programs and find additional money. In these circumstances, it is ironic that many voluntary associations expressed to the Council a genuine and reasonable fear that the federal funding programs on which they relied would be cut. How can voluntary associations be expected to increase their commitments with less money?

TYPES OF DIRECT FUNDING RELATIONSHIPS

There are three main types of direct funding which will be considered here: project grants, sustaining grants and fee-for-service. The study will also review some other formulae for funding and possible types of funding relationships. Each of these types of funding relationships provides both government and voluntary associations with its own unique blend of opportunities and problems. The Council will highlight significant characteristics of these funding relationships by examining a few granting programs.

The distinction offered here between "sustaining" and "project" grants has often been confused with the distinction between "grants" and "contributions" used in Treasury Board Circular 1971 (18).

According to the definition in the circular, a grant is given unconditionally; once received by the voluntary association, that association has no further obligations to government. A "contribution", on the other hand, is a conditional gift; the association has to keep justifying its use of the money at regular intervals. This distinction is an administrative one, but it frequently has definite repercussions for voluntary associations receiving direct financial aid because of the difference between these types of financial aid in the kind and degree of accounting voluntary associations are required to make.

There is a growing trend towards making grant recipients more accountable to government for their expenditures of grant money. The present desire in government to increase its control over its expenditures may mean, not only that grant money is less available, but also that available money will be given out under constraints which will inhibit the flourishing of voluntary action. It may also be that the days of sustaining grants -- as voluntary associations have known them in the past -- are numbered. On the other hand, project grants which usually require a higher level of accountability are on the increase.

(a) Project Grants

Project grants are payments provided to carry out a specific activity or program, or a series of such activities and programs. Such grants may be given to provincial governments, municipal governments, corporations, private institutions and all sorts of other organizations as well as to voluntary associations and groups.

For example, the Canada Council in 1976 gave a project grant to a regional children's museum in London, Ontario, so that it could develop further displays for exhibits and programs. The Department of the Secretary of State, in 1976, provided a project grant to l'Association provinciale des dames d'Acadie so that it could bring to

fruition a leadership and expansion program. Under the Local Initiatives Program (LIP), Manpower and Immigration, last year, gave a project grant to Services Secours in Pointe Gatineau, Quebec, so that it could set up a shelter for persons needing temporary accommodations. The Canadian Federation of University Women received from the Department of the Secretary of State a project grant to develop a directory for Canadian women qualified to serve on government task forces and advisory councils. It can be seen, then, that project grants are intended to support a specific activity or program, or a series of such activities or programs.

Usually, the government sets up broad programs under which the projects of individual organizations will be funded. This initiative for developing specific projects and utilizing the funds under the government program generally rests with the association, though a department often can and does take the initiative. The department running the grants program then judges whether specific projects are consistent with the objectives of the program and its own interests and mandate. These grants are usually given because of the value of the project and not because an organization or group is voluntary.

In the last few years, new grants programs have been set up which have introduced a variety of new perspectives and relationships between government, voluntary action and voluntary associations. A few examples are discussed below.

The Student Community Service Program administered by the Department of the Secretary of State is one excellent example of a program which gives project grants exclusively to voluntary associations. Indeed, it is one of the few programs which has, as a key objective, the encouragement of voluntary activity. A related objective is to provide an opportunity during the summer for young persons to carry out activities which the employing voluntary association lacks the resources

to perform. Thus, although the budget for the program is rather small, there is a specific recognition of the needs of voluntary associations as they relate to needs of students for summer jobs.

As with summer make-work programs, the projects are only funded from May to September. The program is also subjected to yearly scrutiny to determine whether it is still meeting the needs of voluntary associations and students. When conducting this annual reassessment, government might also consider that, in order to accomplish something worthwhile in a single summer, it is frequently necessary to impose on a voluntary association a host of management and administrative procedures. Because such arrangements can be unnecessarily burdensome to some voluntary associations, they have begun to raise questions about the value of the whole exercise. Clearly, such arrangements and the criteria for evaluation of these projects should be shaped so as to accord with the unique characteristics of each voluntary association.

The Job Creation Branch of the Department of Manpower and Immigration has for several years operated programs involving project grants. These programs were not designed exclusively for voluntary associations, but had sweeping repercussions for them. The programs have also introduced to government many new precedents which are still having their effect upon federal policies. In fact, the branch is one of the most widely known and controversial units in the Federal Government, mainly because of the history of two granting programs. These were the Local Initiatives Program (LIP) and Opportunities for Youth (OFY).

In 1976, OFY was cancelled and plans are now afoot to create three new programs, one of which will replace LIP. The replacement for LIP in fiscal year 1977-78 will be Canada Works; it will support year-long labour-intensive projects sponsored by municipal governments, large agencies, service organizations and other similar organizations.

Another of these programs, Young Canada Works, will be aimed at approximately the same constituency as OFY, but will essentially be a summer version of Canada Works and will rely much more on established agencies than OFY ever did. The third new program is basically another summer hiring program in which federal departments and agencies create projects on which students can work in the summer. Clearly, because of high unemployment, "innovative opportunities" are out and "job creation" is in. This radical change in attitude may also be an outcome of the intense criticisms focussed upon LIP and OFY since their inception. It also means that these programs will decrease their support of voluntary activities.

Opportunities for Youth first appeared in 1971 under the auspices of the Department of the Secretary of State. Later, the transfer to Manpower and Immigration occurred. In the meantime, the priorities of the program changed. The provision of innovative services to communities took second place to providing jobs for students in the summer months. The program funds reached a high of almost \$40 million in 1973 before its cancellation three years later. OFY was truly innovative in its emphasis on young people coming together voluntarily to develop their own projects and carry them through. For that reason, it was both highly praised and vehemently opposed in many communities. However, in many ways these young persons were, in fact, volunteers.

The Local Initiatives Program was quite different in its origin, but encountered many of the same problems as OFY. It was set up in the fall of 1971, using the basic Opportunities for Youth model for the delivery of the program. Its objectives were clearly to create jobs where and when there was high unemployment because of regional disparities, seasonal employment patterns and other factors. Another objective was to enhance the quality of communities through the provision of innovative and imaginative projects. These could

involve, for example, the creation of previously non-existent facilities and services or the utilization of untapped human and other resources.

The initial negative reactions to these programs across Canada took two forms. The programs were seen as upsetting community priorities and bypassing established agencies. The government itself was also concerned that the haphazardly formed, informal groups which received the grants would be unable to give an effective accounting for their use of public funds. In response to these problems, constituency advisory boards composed of local citizens nominated by the area M.P. and appointed by the Minister, were set up in many federal ridings to select and oversee projects. In a few ridings, the local M.P. himself chose and watched over these projects. Because of these arrangements, political considerations frequently affected the selection of projects and the groups who were to do them.¹

It must be pointed out that these opportunities and job-creation programs do not really reflect a concern for voluntary action. Only Opportunities for Youth started out in that manner, but it changed after a few years.

More seriously, some of the grants created services and the expectation in the community that they would be continued. However, when the project grant expired, the project usually ended, with the result that these community expectations were dashed or heavy demands were placed on alternate sources of support. Many established voluntary associations and agencies assisted these groups and helped them continue, even though these same associations had predicted this outcome.

¹ Donald E. Blake, "L.I.P. and Partisanship: An Analysis of the Local Initiatives Program", Canadian Public Policy, (Downsview: Winter, 1976). pp. 17-32.

Clearly, government should have consulted with these voluntary associations and explored more carefully the needs in each community. Though some of the projects were quite valuable, others were a disaster and government officials seemed unable to distinguish between the two. Funding for even the most valuable of these projects was cut off without any assessment of their value. For this reason, both OFY and LIP illuminate the real need for a genuine sensitivity to community needs on the part of government.

Manpower and Immigration officials rebutted such criticisms by insisting that the first priority of these programs was the creation of jobs, particularly short-term jobs to meet the needs of students or the seasonally unemployed. These officials were also quick to point out that sponsors of the projects had been advised that funding would continue only for a limited time. According to these officials, information on plans for future funding had also been requested.

One might well ask how effective such project grants are at creating jobs, given that they provided jobs for no more than a year at most and often did not help a person to acquire skills or knowledge which would be useful in the job market. Certainly, they did not in any way constitute a permanent solution to the unemployment crisis.

Despite these shortcomings, these job creation programs offer opportunities for the renewal of voluntary associations. Such programs could also potentially involve the unemployed in voluntary associations responding to community needs. However, if voluntary associations are to benefit from such grants, the rules of the game must be fair and the association must understand these rules. The determination of these rules and their communication to voluntary associations are responsibilities of government. These responsibilities should be exercised with a sensitivity to the needs of voluntary associations.

Clearly, application for and receipt of a project grant by a voluntary association can be a perilous exercise. In fact, there is every reason for voluntary associations to be cautious when trying to get project grants. Because such projects must be consistent with program objectives and appear as practicable as possible, considerable effort and expense must often go into designing the project and phrasing answers on the application form. Much of this money may be spent by the voluntary association before its grant application is accepted. The association must also sometimes distort its objectives in order to be eligible for the project grant. If the application is rejected, this effort is wasted, along with frequently a sizeable sum of money.

Even if the voluntary association receives the grant, the department may interfere unnecessarily with its activities in order to ensure that the project is a success. Because these projects frequently last only a short period, it may sometimes be difficult to complete an ambitious project without elaborate administrative arrangements which drain the financial resources of an association and distort its development. In most cases, the grant does not cover these administrative expenses.

Finally, the department, in order to have solid evidence of the success or failure of the project, often requires a detailed evaluation which also can be quite expensive. Again, the grant usually does not cover this expense. More important, such evaluations can often have a painful and distorting effort on voluntary associations. All too frequently, the association is evaluated according to Treasury Board criteria which are entirely inappropriate for most voluntary associations.

In every stage of the granting process, the government should devise mechanisms which are less destructive of the financial health

and integrity of voluntary associations. For example, there is no reason why associations should have to bear the entire financial burden of designing, administering and evaluating a project in the elaborate manner frequently required by government. For this reason, the Council recommends that:

- (38) GOVERNMENT PROVIDE FUNDS IN PROJECT GRANTS TO COVER THE DESIGN, ADMINISTRATION AND EVALUATION OF PROJECTS.

At the present time, with such exceptions as the New Horizons Program funded by the Department of National Health and Welfare, government does not generally set aside money for such purposes, nor is it possible in the case of research projects to obtain funds for designing projects.

(b) Sustaining Grants

Sustaining grants are payments into the general core budget of an organization. In other words, they do what their name implies: They sustain a voluntary association. Up to the present time, they have not involved much direction from the funding agency as to how the money should be spent. In providing this money, government makes the assessment that in its opinion, the voluntary association renders a sufficient contribution that it is in the overall interests of Canadian society to sustain that voluntary organization to a greater or lesser degree. Thus, the focus remains on the voluntary association and its whole range of activities rather than on any specific activity or project it might undertake, as is the case with project grants.

It should be noted that sustaining and project grants are not related. An association does not graduate from the latter to the former, if it shows itself to be reliable. Rather, entirely different types of judgements are being made in each case. Thus, an association

may receive neither, either, or both types of grants at the same time.

The Welfare Grants Section of the Department of National Health and Welfare has developed, in the past few years, a sustaining grants policy for national voluntary associations. The policy became necessary because of demands for more money from recipients of grants and from new agencies requesting sustaining grants. This policy is couched in fairly innovative terms. It is also revealing of the thinking of government officials concerned about their relationships with voluntary associations. The policy is intended to assist five types of activities by national voluntary associations operating in areas related to the departmental mandate.

First, the department supports groups engaged in citizen's action within a specific area of need; such groups include the Canadian Rehabilitation Council for the Disabled and the Canadian Association for the Mentally Retarded. Second, the department supports groups with less means and resources as a means of equalizing access to support; such groups include the National Anti-Poverty Organization and the Canadian Council on Children and Youth. Third, the department supports organizations with the professional qualifications to provide feedback on government proposals and suggestions in social policy. The Canadian Council on Social Development falls into this group. Fourth, the department supports agencies that work with training and development of social welfare manpower, such as the Canadian Association of Schools of Social Work. Fifth, it supports Canadian affiliates of international social welfare groups.

The policy, which is now being implemented, has the following basic principles:

- (a) support should be provided only to agencies which have undertaken, or which undertake, to develop specific

objectives for a five-year period;

- (b) support should be authorized for five consecutive years at a time, subject to an annual assessment by the department of the progress of the agency towards its goals;
- (c) each grant recipient must develop an evaluation plan acceptable to the department within the first twelve months of the five-year funding period;
- (d) annual sustaining grants, except in the case of international affiliates and organizations representing the poor, should not exceed 50 per cent of the operating budgets of recipient agencies, so that their usefulness can be demonstrated by substantial financial support from other donors;
- (e) for international affiliates and organizations representing the poor, the sustaining grant should not exceed 75 per cent of the cost of operations for the same reason given in (d);
- (f) a sustaining grant of up to 100 per cent of administrative costs may be provided to new voluntary associations for the first five years of their existence;
- (g) if the cumulative increase in the cost-of-living index according to Statistics Canada indices, exceeds 15 per cent during the five-year period, the sustaining grant should be increased by an equivalent amount for the balance of that period;
- (h) recipient associations must be national in scope, except for French-language groups which provide services not otherwise available at the national level to French-speaking Canadians;
- (i) the governing bodies of all national voluntary associations

receiving sustaining grants must have adequate representation from the target populations concerned, except where these target groups are not competent to serve on such bodies;

- (j) recipient associations normally must have a network of affiliated agencies at the provincial and/or municipal levels in a majority of provinces;
- (k) provincial and local affiliates of national associations should not be eligible for sustaining grants from the Federal Government;
- (l) recipient associations must provide every year to the department a copy of the audited financial statement for the previous year, plus a progress report concerning success in that year at meeting the objectives specified in their five-year plans; and
- (m) sustaining grants may be withdrawn from recipient associations which do not meet criteria (a), (c), (h), (i) and (l).

There are several important aspects of this program. The department understands that, in order for an association to meet community needs effectively, it must be able to assess its activities thoroughly and evaluate -- either independently or with governmental assistance -- the present and future relevance of its goals and objectives. The department also does not believe that the goals of the association must always converge with governmental objectives. Rather, the department is only concerned that the association itself become aware of how to improve its responsiveness to the needs of the people it seeks to serve. In short, the department intends these sustaining grants to ensure that the energies and resources of citizens are channelled into constructive and socially useful endeavours.

The Council surveyed several recipients of these sustaining groups. Very few associations were concerned about the responsiveness of the departmental staff administering this policy. In fact, only one association felt it had to go over the heads of departmental personnel to the minister himself. A representative of this association stated that, in contrast to most other associations receiving grants under this policy, its constituency could not donate very much money and thus the organization had to rely very much on government funding. In fact, the association does receive a higher proportion of its financial support than others from the government and was successful in securing an increase in the size of its grant when it approached the minister. In spite of this problem, the association in question, and most other grants recipients, tend to agree that their communications with departmental personnel are of high quality and that associations are quite free in the uses to which they can put grant money.

For this reason, many associations wish the grants were larger. In fact, more than one association said that these sustaining grants -- even when indexed to the rate of inflation -- form only from five to 15 per cent of their total annual budget and only pay for their national director's salary and the costs of one board meeting. To representatives of these associations, these sustaining grants were more a form of recognition of their value by the Department of National Health and Welfare than a sum of money which would have an appreciable effect on their national operations. In short, there is some question about the degree to which these grants really sustain many associations, though most grants recipients are quick to emphasize their gratitude and the willingness of National Health and Welfare to make up the difference with project grants. They do note, however, that the degree to which they are reliant on project grants is the degree to which they may be pursuing not their own objectives but those of National Health and Welfare.

The Council believes that the National Health and Welfare sustaining-grants policy is a valuable one that, with some modifications, could serve as a model for other federal sustaining-grants programs. The responsiveness of departmental officials and the flexible procedures for accountability and evaluation are clearly deserving of imitation by other departments. The Council does suggest, however, that the department make a greater effort to accommodate differences in the financial needs of different voluntary associations.

The Council also suggests that, when determining the sizes of these grants, the department adjust its priorities slightly. At the present time, one reason why grants are so small is that the department considers it vital that an association prove its relevance to the community by garnering a certain level of support from private donors. This departmental concern is quite legitimate. But, in determining the size of these grants, the department should place more emphasis on the possibility that many voluntary associations -- for a variety of reasons -- have to spend so much time trying to raise private funds that they are not able to develop a fully coherent program. The use of project grants to supplement the sustaining grant, though it demonstrates a laudable caution and concern with departmental objectives, may have a similar effect. The effort needed to develop a number of projects which will appeal to the department may force voluntary associations to take a piecemeal approach which sacrifices the coherence of their program and, at worst, compromises their long-term objectives. Thus, the Council suggests that the department increase the size of its sustaining grants.

At the present time, only 12 national voluntary associations receive sustaining grants under this policy. With a few exceptions, these are associations which are quite able to raise funds elsewhere. The Council suggests that National Health and Welfare fund a larger

number of associations under this program and, in particular, make a greater effort to fund groups which are conducting valuable activities but encounter relatively greater difficulties raising funds. The department might consider extending the policy to apply to deserving provincial and local associations.

However, the Council cannot emphasize too much that the money for such an expanded sustaining-grants program should not come from the project-grants budget of the department. Project grants are often used to fund smaller associations performing valuable tasks and, if anything, such funding should also be increased.

The Canadian International Development Agency (CIDA) offers three-year sustaining grants to voluntary associations with an international orientation. These must have proven their usefulness, whether through research or actual project activity, in encouraging economic development in developing countries. All such grants must be approved by Treasury Board and are subjected to an annual review by CIDA and Treasury board to determine how effectively the association is carrying out its program.

It should be noted that most of these sustaining grants are given to about 15 well established voluntary associations. Examples of these associations are the Canadian University Service Overseas and the Canadian Executive Service Overseas. In fact, CIDA officials state that 90 per cent of its grant money is given to such bodies.

Long delays also often ensue between application for a grant and the actual receipt of the grant. One association incurred so many expenses while planning its program during this period that it had to secure a bank loan at an interest rate of 12 per cent. A staff member of this association claimed that, even then, repeated personal

representations to CIDA officials were necessary to ensure that his association received the grant. One wonders whether these long delays may not have resulted from the requirement that CIDA secure Treasury Board approval for each sustaining grant. In addition, given the apparent need for repeated personal representations in order to speed the granting process, one also wonders about the experience of groups from outside Ottawa with this program.

As noted in an earlier section of this chapter, the largest and most quickly growing proportion of federal funding for voluntary associations is in the area of project grants. Grants to sustain a voluntary association form a diminishing fraction of federal financial support for voluntary action.

This trend is regrettable because there are many voluntary associations which will need sustaining grants into the indefinite future. For example, associations involving the disadvantaged often have considerable difficulty raising funds but provide needed services and perform legitimate functions on behalf of their constituencies. Often such groups are engaged in social action, an activity which does not meet many existing project-grant criteria. In addition, voluntary associations with the potential for performing very useful functions often have difficulty getting started and need to be sustained until their operation is on a firm footing. Finally, project grants usually support popular activities for which voluntary associations can always receive financial support from private donors. Thus, it would be unfortunate if the present trend culminated in the ending of all sustaining-grants programs.

On the other hand, it would be wrong to go to the other extreme and argue that every voluntary association has a right to a sustaining grant. As noted in Chapter 7, the Council disagrees with this view. The bestowal of sustaining grants should depend upon the social value and

genuine needs of the voluntary association and be viewed in light of the objectives of each particular department or agency. However, the Council would also argue that most departments and agencies have not examined in a systematic way how sustaining-grants programs could assist them in meeting their objectives. The skillful and intelligent use of sustaining grants could help many more voluntary associations to carry out activities valuable to their communities and constituencies. For this reason, the Council suspects that the provision of more sustaining grants to voluntary associations is one important means by which many departments and agencies could meet their social and cultural objectives.

Once a department has decided to operate a sustaining-grants program, consideration should be given to ensuring the program is responsive to differences in the nature, functions and stage of development of voluntary associations. Funds might also be provided to support periodic reviews by voluntary associations of their goals, objectives and programs for purposes of renewal or revitalization. The intent of such a policy should be to reduce the emphasis on annual fund-raising so that an organization can get on with its program. The Council, therefore, recommends that:

(39) THE GOVERNMENT DEVELOP AN OVERALL SET OF POLICIES FOR THE PROVISION OF SUSTAINING GRANTS. CERTAIN GENERAL PRINCIPLES SHOULD GOVERN THESE POLICIES:

- NEED FOR A DURATION PERIOD FOR THE GRANT OF AT LEAST THREE YEARS TO ENSURE THAT THE ORGANIZATION WILL BE ABLE TO CONCENTRATE ON IMPLEMENTING ITS PROGRAM AND FUTURE PLANNING;
- NEED FOR THE AGENCY TO SUBMIT AN ANNUAL REPORT ON ITS PROGRESS TOWARDS MEETING ITS STATED PROGRAM OBJECTIVES;

- PERMISSION FOR ANNUAL AMENDMENTS TO THIS PROGRAM WITHIN SPECIFIED LIMITS;
- NEED FOR AT LEAST 12 MONTHS NOTICE OF TERMINATION;
- NEED FOR AN EXTENSIVE EVALUATION ON AGREED UPON CRITERIA TOWARDS THE END OF THE GRANT PERIOD; AND
- A POSSIBILITY OF REVITALIZATION FUNDS FOR ASSOCIATIONS ALREADY RECEIVING SUSTAINING GRANTS.

(c) Service Contracts and Fee-for-Service

Generally, the terms "service contract" and "fee-for-service" have the same meaning. They are payments given to an organization in direct exchange for goods or services required by the government. When the government enters into such arrangements with a voluntary association, it is to some degree recognizing and capitalizing upon the special expertise of that association. Service contracts are, therefore, normally initiated by the government and involve the payment of an agreed upon fee for services rendered. The focus is upon ensuring that the service is satisfactorily provided; the nature of the organization providing the service is secondary. Service contracts, like project grants, may support various types of activity: research, education, demonstration, community development, and services of all types, to mention only a few.

The dialogue continues upon whether service contracts should be called support by Federal Government for voluntary associations or the reverse. Under such contracts, voluntary associations earn income by spending their resources. The government receives a precisely defined service for the dollar spent. In the absence of voluntary associations, such services would have to be provided commercially or by government itself, possibly at greater expense and with less satisfaction.

In the sense that voluntary associations receive money and some recognition of the value of the service they provide, they do receive some support under a service contract. The learning of business methods, the hiring of administrative personnel and the adaptation of its structures to a bureaucratic system can also sometimes strengthen the independence of a voluntary association by improving its efficiency.

However, the Council suggests that in most cases the services rendered are desired and sought by government because they can only be provided by organizations with the unique characteristics and strengths of voluntary associations. Thus, it may well be that government benefits more under such arrangements. In fact, voluntary associations often receive contracts because they have pioneered some new service or approach to a problem. At other times, they receive contract money because they provide a service which meets governmental objectives but relative to which the government would find its own direct involvement politically embarrassing. The involvement of a community in the activities of a voluntary association also sometimes means that the association can provide a better service than a governmental agency which is dominated by professionals and is perhaps an object of suspicion to that community.

In the area of fee-for-service, there is one crucial issue -- the sustaining of a proper relationship between the government and the voluntary association. Even if the relationship exists at the outset, it can easily be destroyed by poor management or demands that the association carry out the contract in the precise way specified by government.

It should also not be forgotten that contracts are in essence a commercial arrangement. In contractual relationships between the government and a voluntary association, the government buys the service

and sets the rules and conditions under which the service will be provided. The seller of the service is the voluntary association, which, if possible, sets the price of the service.

There is always a danger in such relationships -- particularly if the voluntary association receives a series of contracts from a single governmental agency. Over time, the voluntary association may gradually and almost unconsciously allow the government agency to determine more and more of its activities. In the long run, the voluntary association may even find itself acting like an administrative unit of government, and not even realize that a change has occurred. Government alone should not be blamed for this process. It is also the responsibility of the voluntary association to be aware of this process and act appropriately. It should also remember that, no matter how high the price a voluntary association charges for its services, that price is still not high enough to justify the gradual loss of control over its own activities.

Fee-for-service is sometimes proposed in government circles as an overall solution to the funding problems of voluntary associations. This proposal reflects a profound unawareness of the nature of voluntary action and of the effects of contracts on voluntary associations. If government values voluntary action, government should not act on such proposals.

(d) Other Funding Relationships and Formulae

Some voluntary associations suggested that the bestowal of direct financial aid should occur under different administrative arrangements or according to different formulae. In particular, these associations proposed the creation of a centralized federal funding agency or the use of a matching-grants formula for determining the size of grants. Each of these will be discussed separately, as follows.

Centralized Funding: Many representatives of voluntary associations, when recounting the problems they met in seeking federal funding, stated that there was always a suspicion of political bias about the selection of grant recipients. Others expressed concern that the directness of the funding relationship between themselves and government meant that it was too easy for the funding agency to force its objectives on them. Still others complained that the scattering of funding agencies throughout the Federal Government meant that it was much more difficult to gather information on grants and that there were too many different sets of granting criteria.

One frequently suggested solution to these problems was the creation of an independent central funding body which would dispense grants according to pre-defined and well-publicized criteria. One model for such an agency is the Canada Council which already funds many voluntary associations in the arts field. It was suggested to the Council that a similar body could dispense all federal money to voluntary associations in other fields, with a view to encouraging voluntary action and the socially valuable activities it generates.

The Council doubts the feasibility of such an approach in an area as broad and diverse as voluntary action. Indeed, in Chapter 1, the Council pointed out that voluntary action is much too diverse to be fitted into any rigid, all-encompassing definition. In Chapter 2, the Council argued that the real strength and value of voluntary action lies in this diversity. It is the Council's view that the latter generalization also applies to the Federal Government. Though this diversity within the Federal Government can be a source of frustration to voluntary associations seeking grants, it also ensures that a wide variety of voluntary activities receive financial support. Because each branch within each department has its own unique preoccupations, there is often a funding source somewhere which will provide a grant

to a voluntary association in need of support. In short, the very diversity of the Federal Government may well ensure a higher level of responsiveness to voluntary action in all its variety -- that is, if department officials acquire a better understanding of, and are able to create a better climate for voluntary action.

No guarantee exists that a central agency funding voluntary action would be effectively or efficiently administered. For example, it is difficult to imagine how a central funding agency could assemble enough professional expertise to understand and support effectively the wide range of voluntary activity. As noted throughout this report, voluntary activity touches every conceivable social and cultural concern and can affect profoundly every field of governmental activity. It is interesting to note that the Canada Council, which operates in a much narrower field, may shortly be divided into two different agencies.

Such a central funding agency would also have to possess final authority over the dispensing by federal departments of grants to voluntary associations. However, the dispensing of such grants, as already noted, has long been a vital component of many departmental programs, and there is no guarantee that the new agency would not meet serious resistance from departments for exactly this reason. Unless it had the firm support of Cabinet and established good relationships with such departments, it would probably go the way of Information Canada, another agency which moved into areas which departments considered their own. One reason for the failure of Information Canada was its inability to secure the full support and co-operation of government departments. They saw the new agency as an encroachment of their own activities in the information field.

Even if such problems could be overcome, a central agency

might still not operate in the interests of those engaged in voluntary action. Such a monolithic structure could become quite insensitive because of the size of its task and its remoteness from the people in a country as large as Canada. Canada Council Director Charles Lussier recently expressed very similar concerns in a May 1976 speech in Toronto to the Institute of Donations and Public Affairs Research. "In Canada, we seem to be strong believers in the principle of shared support for social and cultural activities", he stated. "This diffusion of management responsibility among a wide spectrum of people brings to decision-making a richness of ideas that a monolithic system does not have. Central government agencies, and those dependent on government for the bulk of their funds, such as the Canada Council, risk becoming myopic because of the sheer size of their task in administering financial programs in this enormous country and their inevitable remoteness from many of the people they service." The National Advisory Council for Voluntary Action agrees with this view.

It is also borne out by the experience of voluntary associations in Holland where all government funding for voluntary associations is performed by one governmental agency -- the Ministry of Cultural and Social Welfare. Ninety-nine per cent of all Dutch voluntary associations meeting broad governmental criteria receive their grants from the Ministry. The Ministry determines what associations should get the funds according to its own perceptions of social and cultural priorities and the needs of the associations. At the present time, the Dutch YMCA is considering whether it should back out of this arrangement to some degree, even though 90 per cent of its staff salaries and 60 per cent of its organizational expenses and program costs are paid by the government. The problem is that growing governmental financial support has been accompanied by increasing governmental control over YMCA policy-making.

It would seem, then, that a central government funding agency for voluntary action might create more problems than it would solve. The Council rejects this option, but emphasizes that there is a pressing need for more consistency between federal departments in their programs, policies and procedures for providing direct financial aid to voluntary associations. In particular, the Council believes that the government should formulate a coherent set of guidelines to govern the granting activities of the different departments and agencies.¹ The principles expressed in the recommendations within this chapter could serve as the basis for these guidelines. They are sufficiently general that they would not inhibit the enriching diversity arising from the multiplicity of different granting programs run by departments. The formulation and application of such guidelines would go a long way towards eliminating the confusion and frustration experienced by many voluntary associations in their efforts to get direct financial aid from the Federal Government.

Matching Grants: Under a matching-grants formula, the government would provide money to a voluntary association in some proportion to the amount of money collected by that association from private donors. For example, the government might give the voluntary association one dollar for every dollar it collected from private donors. These proportions could be varied. The government might contribute 10 cents or 10 dollars for every dollar collected from private donors. In fact, the proportion of governmental grants to private donations -- the matching-grant formula -- should be varied in accordance with the needs of the specific voluntary association receiving the grant.

¹ See Recommendation #48, p. 211.

The Cooperstock and Lefebvre studies assessed the reactions of voluntary associations to a matching-grant formula for supporting voluntary associations. Fifty-seven per cent of Cooperstock's English-language respondents said they opposed any overall matching formula which might be imposed on them by government,¹ while 65 per cent of Lefebvre's French-language sample said the same.² Both groups of respondents pointed out that the matching-grants system could work against many types of voluntary activity. Many in Cooperstock's sample stated that the arts as well as anti-poverty organizations, senior-citizens groups or organizations involved in the correctional area would be poorly served by such a system.³

However, it should be noted that 43 per cent of Cooperstock's respondents favoured matching grants. Seventeen per cent of the associations commenting on this issue argued that such a system would improve the autonomy and initiative of volunteers and provide assurance that the community really supported a project.⁴

Equally interesting were the respective characteristics of the voluntary associations supporting and rejecting matching grants. The larger the proportion of the voluntary association's budget coming from government, the less likely it would be to approve of matching grants. Usually, large national associations fall into this category. Conversely, small local or provincial associations tended to favour matching grants because they relied much more on members'

¹ This figure was arrived at through calculations based on figures appearing in Cooperstock, *op.cit.*, p. 45.

² Lefebvre, *op.cit.*, p. 3.134.

³ Cooperstock, *op.cit.*, p. 46.

⁴ *Ibid.*, p. 47.

contributions and private donations.¹

These facts suggest that a government matching-grants formula would have to be very complex because of the great variety of organizations, their diverse financial requirements, their differing states of development, and their varying potentiality and capabilities with respect to fund-raising and the differences in their clientele. In short, there are probably too many cases where matching would not be at all feasible because of special needs and circumstances.

One example of such a matching-grants program is that devised for a number of private agencies by the Non-Governmental Organizations Division in the Canadian International Development Agency. CIDA's philosophy is to encourage international co-operation and to ensure that as much of the job as possible is performed by private agencies and the extensive human resources they mobilize. Even money from provincial governments is matchable, though at least 25 per cent of a recipient association's funds must come from outside government to demonstrate the seriousness of its commitment in its area of interest.

For small groups, aid-in-kind (drugs, machinery and services) may also be matchable. These grants are restricted to projects and can run from a few months to three years. The grants range from substantial sums of money to minimal disbursements and ideally should provide no more than 50 per cent of the cost of a project.

The Council believes that a matching-grants formula should be used with discrimination, but that it is a valuable approach.

¹ Cooperstock, op.cit., p. 46.

Though there were varying viewpoints within the Council upon the exact matching-grants formula which should be used, there was general acceptance of the principle. The Council, therefore, suggests that matching grants should be subjected to further study by government, with a view to coming up with specific formulae applicable to different types of voluntary associations.

CRITERIA, PROCEDURES AND EVALUATION

Most voluntary associations are less concerned with the size of federal grants available than the criteria for bestowing grants, the lengthy delays in processing applications and the insensitive approach often taken in government evaluations of voluntary activities supported by grants. These concerns were evident in the Lefebvre and Cooperstock studies commissioned by the Council and were confirmed during the Council's own consultations with representatives of voluntary associations. Each of these three areas -- criteria, procedures and evaluation -- will be examined and recommendations will be made for their improvement.

(a) Grant Criteria

Both the volunteers encountered in Council consultations and the respondents in its research studies described granting criteria as all too often vague, confusing, ill-conceived, poorly publicized and inappropriate for voluntary associations. After an examination of granting criteria in various funding programs, the Council was forced to agree with these criticisms.

The situation is to be deplored because good, well publicized

granting criteria can be of considerable assistance to both voluntary associations and government. They can assist voluntary associations, not only in preparing their grant applications, but also in developing projects and objectives which dovetail with the goals of government programs.

One reason why there are problems with granting criteria is that government has frequently failed to define these criteria precisely and clearly and then publicize them and the objectives of its granting programs. More specifically, in its criteria the government should identify the precise characteristics of an eligible voluntary association, the exact nature of acceptable projects and the field of activity into which both project and association must fall. Such criteria should also be as well publicized as possible to ensure that as many eligible voluntary associations as possible are able to apply for any particular grant. The Council, therefore, recommends that:

- (40) GRANTING CRITERIA BE EXPLICIT, SIMPLY PHRASED AND WELL PUBLICIZED AND SPECIFY THE EXACT CHARACTERISTICS OF AN ELIGIBLE VOLUNTARY ASSOCIATION, THE EXACT NATURE OF AN ELIGIBLE PROJECT AND THE FIELD OF ACTIVITY INTO WHICH BOTH PROJECT AND ASSOCIATION MUST FALL.

It is important to emphasize that, when a granting agency publicizes its criteria for grants, it should also provide information on its entire granting program. In particular, its brochures should identify the objectives of the program, the amount of funds available, the range in the size of the grants available to meet each objective, the terms and conditions of the grant, the type and degree of accountability required and the type of evaluation to which a recipient will be exposed. This area will be further discussed in Chapter 12

and a recommendation made for the publicizing of this information.

At the present time, most granting programs and their criteria are framed with the intention of encouraging recipient associations to perform useful activities in the community. There is nothing wrong with such an emphasis. However, there is no reason why, if government is truly concerned with strengthening voluntary action, it could not also fund activities which would, in the main, be directed towards improving the health of the voluntary associations. Such an approach would, in the long run, further the many broad social and governmental objectives towards which voluntary action makes such a significant contribution, as can be seen in Chapters 2 and 7.

There is also ample precedent for such support. For example, in 1969, the Department of Consumer and Corporate Affairs gave funds to the Consumers' Association of Canada (CAC) so that it could conduct an internal management study with a view to developing a five-year plan for its activities. CAC officials claimed that the grant enabled them to improve the efficiency of their operations and become more responsive, through changing their board structure and encouraging local participation, to new needs in their constituency and, in particular, to the wave of consumer concern and action which emerged in the late 1960s and early 1970s. With such grants the government could support mutual evaluations, as described in Chapter 4, or exchange programs with institutions of higher education or whatever type of activity suited the needs of the recipient voluntary association. Thus, the Council recommends that:

- (41) THE GOVERNMENT PROVIDE FUNDS AND RESOURCES TO ENCOURAGE EVALUATIONS, EXCHANGES AND OTHER ACTIVITIES WHICH WILL REVITALIZE VOLUNTARY ASSOCIATIONS.

Such grants criteria should take into account the differences in the needs of large established voluntary associations and those of newer groups.

Criteria should not only define the type of activity or voluntary association which can be funded under the granting program. In the case of project grants, they should also specify whether funds may be used to pay for the expenses involved in designing, administering and evaluating projects, as was noted in a previous section of this chapter. In the case of sustaining grants, they should also allow the use of grant money to cover expenses for administration and evaluation.

Whatever the type of grant, these administrative criteria should permit the use of grant money to compensate volunteers for expenses incurred because of their participation in a funded activity. The types of expenses for which the granting agency should provide funds could include everything from day-care to baby-sitting expenses to transportation costs. Thus, the Council wishes to re-emphasize for government the importance of its recommendation in Chapter 4 that voluntary associations should include volunteers' expenses in their budgetary submissions to funding bodies. The funding bodies should recognize these expenses as legitimate disbursements for voluntary associations, and as a priority for volunteers who cannot meet such expenses or benefit from a tax receipt.

Many voluntary associations fail to receive a grant, not because they are ineligible, but because application forms are difficult to understand. Often, the questions on application forms are ambiguous or written in bureaucratic jargon, with the result that large associations with experience in applying for grants have the best chance of getting grants. Clearly, government should make the effort, when drafting application forms, to make them clear and put them in language

that voluntary associations will understand.

Another problem with government application forms is that they do not always ask the voluntary association to give the right type of information. The questions on many application forms ensure that the government will not receive enough information to decide whether a voluntary association should receive a grant for which it is eligible. Consequently, government officials must often rely on personal contacts to assess the eligibility of grants recipients. This approach generally means that well known and previously funded associations have a much better chance of receiving grants.

For these reasons, the Council suggests that, in general, federal funding agencies should ask for considerably more information on their application forms than they do at present. The nature of the information should vary according to the type of grant, the type of activity to be funded, the type of voluntary association and a host of other factors. However, though it is impossible to devise an ideal application form which would fit all needs, certain types of information should be requested on almost all application forms. The following are a few examples of such requests:

- Define your purposes and objectives.
- Describe the structure of your organization.
- Indicate how many members actively participate in the activities of your association.
- Indicate the amount of support your association receives from groups in your community.
- Indicate the level of involvement of such groups in your activities.
- Indicate the amounts of financial support which comes from other federal agencies and other funding sources.
- Indicate the technical and professional resources which you can draw on in the community.
- Indicate what facilities and resources are available to you in the community.

- Indicate the number of paid and professional staff members your association employs.
- Indicate the number of volunteers your association can call upon in order to carry out your program or a specific project.

The voluntary association should also be asked to specify the reasons why it should receive the grant. In the case of sustaining grants, the voluntary association should be asked to define its programs and activities and show why these and the association itself are of value to the community. In the case of project grants, voluntary associations should be asked to define precisely their projects and explain why they are needed in the community.

No matter how clear the application form, no matter how comprehensive the information requested on it, no matter how skillfully it is completed, and no matter how fair, precisely defined and publicized the granting criteria, injustices and errors will occur unless the staff in the funding agency understands and supports voluntary action. This staff must be willing to explain the granting criteria and what information should be inserted on the application form so that no application by a voluntary association will be rejected on simple technical grounds.

(b) Procedures for Processing Grants

The procedures used in processing grants are also in need of improvement. Forty-four per cent of the English-language respondents in the Cooperstock study complained about long delays in obtaining replies to telephone calls or letters requesting information on the status of their applications.¹

¹ Ibid., p. 27.

The picture gleaned from the Lefebvre background study of French-speaking associations was more subtle. Many respondents cited difficulties in making contact with granting committees, inadequate explanations of why a grant application was refused and policies which discriminated against the activities of certain voluntary associations. There was, however, no dissatisfaction with the quality of personal communications with granting agencies -- including the use of French in negotiating grants, the accessibility of the responsible public servant after receipt of a grant, the general availability of public servants willing to assist the grant recipient, the type of reporting required by the granting agency and the way in which payments were made.¹

A consistent complaint right across the country was that it takes months for a voluntary association to receive a reply to a grant application. In that time, all future planning may be suspended; or, if its members are particularly bold, large expenditures may be made on the assumption that the association will receive the grant. In the latter case, the association may find itself in severe financial straits if the application is refused. This situation is not improved by the frequent occurrence of rejections accompanied by no explanations. Sometimes, the voluntary association will initiate correspondence with the funding agency, and after a long period of uncertainty receive an explanation which clarifies nothing. At other times, the reply may be a rejection for a minor and easily correctable technical error which, because of the lateness of the reply, cannot be corrected in time to meet the deadline for new applications. As a result, the voluntary association often has to wait another year in order to receive funds.

¹ Lefebvre, op.cit., p. 3.128.

In a public meeting in St. John's, Newfoundland in September, 1976 a group from that province described such an experience as follows:

"It took the high-powered 'servants' one month to come back with the following answer:

-- Your application cannot be considered because it is longer than the 12 pages as required by regulations -- page X, paragraph X. If you want it reviewed, re-do and re-submit in a week's time to be processed for possible funding in January, 1977.--"

This example graphically illustrates a pattern of bureaucratic delay and the insensitivity of many of the public servants processing the grants applications of voluntary associations.

There is a need for a streamlining of, and a greater flexibility in, the processing of grants applications by many federal funding agencies. In fact, greater speed in the processing of grant applications should be a priority of most funding agencies. One means of attaining this end would be for the funding agency to set fixed periods of time for an application to pass through the different stages of processing. The Council, therefore, recommends that:

- (42) FEDERAL FUNDING AGENCIES PUBLICLY SET AND ADHERE TO DEFINITE TIME LIMITS THROUGHOUT THE GRANTING PROCESS FOR SUCH ACTIVITIES AS ACCEPTING NEW APPLICATIONS, ACKNOWLEDGING SUBMITTED APPLICATIONS, MAKING DECISIONS AT EVERY LEVEL TO APPROVE OR REJECT AN APPLICATION AND NOTIFYING APPLICANTS OF THE FINAL DECISION ON THEIR APPLICATIONS.

The government might also consider setting up an appeals procedure under which voluntary associations could appeal rejections of their

applications for grants.

(c) Evaluation and Termination of Granting Programs

Evaluation of individual voluntary activities funded by government is necessary, but the method of evaluation must be consonant with the unique qualities of voluntary action.

As has been remarked repeatedly in this report, voluntary action is very broad in scope, involving everything from the most service-oriented agency to the Women's Committee of the Montreal Symphony Orchestra to a small self-help group for single parents. Such activities cannot be assessed in an exclusively objective or quantitative manner. For example, how does one measure the success of an amateur theatre group? Does one consider only the professionalism of its presentation? Or, does one call it a success if it creates an awareness of theatre in the community and gives the members of the group an opportunity for satisfying self-expression?

The foregoing questions answer themselves. Clearly, the last possibility is the only reasonable benchmark to apply to such a group and to most other forms of voluntary activity. For this reason, the Council recommends that:

(43) EVALUATIONS OF VOLUNTARY ACTIVITIES REST MORE ON
QUALITATIVE THAN QUANTITATIVE ANALYSIS.

In It's Your Turn, the Report of the Committee on Youth to the Secretary of State in 1971, some examples of good qualitative evaluations of governmental programs appear.

Some federal funding agencies seem to regard voluntary associations as suspect because of their reputed inefficiency. In

consequence, government evaluations of voluntary activities which have received financial support tend to go far beyond the activity itself. Sometimes such funding agencies become engaged in thoroughgoing assessments of all the internal operations of voluntary associations. Such implicit mistrust can and does sap either the morale of the volunteers -- with a consequent destructive impact on the association -- or destroys any goodwill they might have felt toward government. The Council believes that such an approach to evaluation is both unnecessary and unfair, and therefore, recommends that:

- (44) THE GOVERNMENT ENSURE THAT, WHEN IT PROVIDES FUNDS TO VOLUNTARY ASSOCIATIONS, IT ONLY HOLDS THEM ACCOUNTABLE FOR, AND EVALUATES PROGRAMS SUPPORTED BY SUCH FUNDS.

If the government provides funds to a voluntary association so that it can carry out a specific project, then that association should be accountable only for that project and nothing else.

It should be emphasized that, in the case of sustaining grants, government is justified in assessing the entire association. However, in such evaluations, government should focus less on the administrative efficiency of the association than its social value, both in terms of the usefulness of its services and the broad role it plays in the community. Again, the evaluation should be qualitative rather than quantitative. It should also be consistent with the next recommendation.

Given that voluntary associations rely on the active participation of their members, there is no reason why these members should not participate in the evaluations of their activities and programs supporting them. Such an approach would sensitize government to the unique problems and opportunities of voluntary action, while

providing a chance for the volunteers themselves to take an objective look at their activities. For these reasons, the Council recommends that:

- (45) FEDERAL DEPARTMENTS AND AGENCIES ENSURE THAT THEIR PROCEDURES FOR EVALUATION OF SUPPORT TO VOLUNTARY ACTION PERMIT THE INVOLVEMENT OF REPRESENTATIVES FROM THE VOLUNTARY ASSOCIATION UNDER CONSIDERATION. WHEN EVALUATING SERVICES PROVIDED BY VOLUNTARY ASSOCIATIONS, THE RECIPIENTS OF SUCH SERVICES, AND REPRESENTATIVES OF COMMUNITIES AFFECTED BY THE SERVICES, SHOULD ALSO PARTICIPATE IN THE EVALUATION AND RECEIVE THE RESULTS OF SAME.

The participation of voluntary associations and members of their constituencies in governmental evaluations of their activities and granting programs supporting those activities can be quite important if the grant or the program is to be terminated. Usually, announcement of a decision to terminate a grant or program is demoralizing if the volunteers and their constituents have not discovered, through participation, the reasons for that decision. If they are excluded entirely from the evaluation underlying that decision, their alienation from government, already quite high because of the termination of the grant or program, will only intensify.

Volunteers and voluntary associations should also be permitted an extensive phasing out period after termination of a major support program. The importance of such a step is apparent from even a brief analysis of what ensued when the Company of Young Canadians was told to terminate its activities. On December 22, 1975, it was announced in Parliament that the activities of the CYC, which had a budget of some \$5 million, were to be terminated by January 1, 1976. It was

the first time that the staff and volunteers working for the CYC had heard that the organization was to end its operations. CYC executive staff protested to Secretary of State Hugh Faulkner that they could not close down the program on such short notice because of the dislocation to staff and volunteers and the possibility of perhaps finding alternative funding. They also argued that the dissolution of the agency was unfair, given that it had just undergone a successful evaluation and had persuaded Treasury Board to raise its budget by \$1.6 million.

However, these representations were to no avail, though the executive staff did succeed in securing a time extension. The CYC was permitted to continue its operations until the end of March, but there was considerable attrition among staff and volunteers because of the obvious uncertainty of their position. The clerical staff, which was protected by a collective agreement, received four months severance pay, while the volunteers, whose reimbursement was minimal, were given only two months severance pay. One group of volunteers from Toronto vigorously fought the dissolution of the program. More typical was the response of a Quebec volunteer who said: "What else can you expect from the Federal Government?" The CYC is only one example of this type of governmental insensitivity. The Council recommends that:

- (46) THE FEDERAL GOVERNMENT PROVIDE FOR AT LEAST A SIX-MONTH PHASING OUT PERIOD AFTER TERMINATION OF ANY PROGRAM OF FINANCIAL AID OR OTHER SUPPORT TO VOLUNTARY ACTIVITIES.

In the case of termination of grants to voluntary associations, there is also need for ample notice in order for the necessary adjustments to take place within the voluntary association. The Council, therefore, recommends that:

- (47) FEDERAL FUNDING AGENCIES GIVE AMPLE NOTICE OF THE
TERMINATION OF A GRANT TO THE RECIPIENT OF THAT GRANT.

CONCLUSION

There can be little doubt that direct funding by government of voluntary associations has encouraged the flourishing of a whole range of voluntary activity which otherwise might have had difficulty in surviving or even emerging. For example, it is apparent from the Council's research studies that the Federal Government is contributing more money to French-language groups outside Quebec than their respective provincial governments.¹

In certain areas, federal funding can also be detrimental to voluntary associations. Community groups appear to lose a great deal of their effectiveness once they become grant recipients. They can become excessively cautious about antagonizing granting agencies and losing future grants. So much time and energy can be spent on administration and accounting for grant money that the commitment of these groups to social action begins to wane. When there is enough money to hire some of the members as staff, difficulties may also arise between the new staff and those who remain volunteers.

This loss of dynamism within groups is not necessarily due to conscious co-optation on the part of government, even though such an accusation is often heard. Rather, the association has placed itself in a position where it must, sometimes unconsciously and gradually, accommodate to changes in order to remain acceptable and

¹ Lefebvre, op.cit., pp. 3-40,41.

keep being funded.

The Council's position on this funding issue has already been established. As pointed out in Chapter 7, the Federal Government has a responsibility to ensure that a variety of voices and alternatives are available and to help those who have less means, whether financial or otherwise, to make their presence felt.

Existing government granting programs are less effective than they might be in meeting these objectives. Such programs are often poorly publicized. Information to voluntary associations is not so much denied as unavailable in usable form because no one has collected or collated it. No single central source exists to which voluntary associations can turn for information regarding available federal support. There is also no detailed information on such alternative sources of funding for voluntary associations as provincial governments and private funding bodies. The provision of such information is usually left to departmental officers who, if one is very lucky, may know all the funding sources in their department and have good contacts in other departments.

Thus, personal contacts are the most important of the methods used by voluntary associations to find out what grants are available. Predictably, larger groups have better contacts than smaller ones. In the Cooperstock study, it was revealed that the "nationals" in particular are easily able to name federal funding sources, while 20 per cent of local associations did not know of any grant-giving agency in the Federal Government.¹

The better equipped, larger associations also know that procedures and application forms vary between programs and even within the

¹ Cooperstock, op.cit., p. 31.

same program from year to year. They will also realize that information about programs is frequently misleading. For example, it may be announced that a program has \$2 million in grant money; but, by the time this amount is apportioned among regional and field offices, often very little remains for local associations. In spite of these difficulties, local associations are continually being encouraged to apply for grants and are then all too often left hanging for months without a definite answer and frequently with unrealistic expectations about the probability of their receiving a grant.

The larger voluntary associations possess other advantages which their small local associations, whose needs are frequently just as legitimate, lack. Granting criteria framed with established associations in mind may be too demanding for emerging groups and the increasingly common ad hoc groupings of citizens.

The issue of political control over the provision of grants also appears to be more serious than many voluntary associations realize, although this area is one where facts and figures are very difficult to find and thus impossible to document. Much depends on the checks and balances within the granting system and on the vigilance of both government and voluntary associations.

The government as a whole has also never assessed the effectiveness of its information programs, its use of grants, its granting criteria and other procedures. Some individual departments have been conducting such assessments but the results of these evaluations are not always made public. The government really has no idea of the overall effect of the money it distributes to voluntary associations.

The inconsistency between and within government departments in the procedures and policies for granting money to voluntary

associations points to a real need for consistent policy guidelines for such activities right across the Federal Government. Many officials in government departments have recognized this need, and the principles which should form the foundation for such guidelines can be found in the recommendations appearing in this chapter and others in this report. Thus, the Council recommends that:

- (48) THE GOVERNMENT OF CANADA ENSURE THAT AN OVERALL SET OF CONSISTENT PRINCIPLES IS DEVELOPED TO GUIDE FEDERAL DEPARTMENTS AND AGENCIES IN THE POLICIES, PROCEDURES, CRITERIA AND EVALUATIONS USED IN PROGRAMS PROVIDING FUNDS TO VOLUNTARY ASSOCIATIONS.

In this recommendation, the Council is not advocating the formation of any central funding agency or the development of uniform policies for funding activities by different federal departments. As noted elsewhere in this chapter, the diversity of federal funding programs ensures that the government will provide better service to the wide range of voluntary activity than any central funding agency or uniform policy applying right across the Federal Government.

The government is, however, looking for a definition which will apply to all forms of voluntary activity. In the speech in which Secretary of State Hugh Faulkner described the mandate of this Council, he also asked it to provide a precise and useful definition of voluntarism. The uses for such a definition would seem to be two-fold. First, if the government understood what voluntary action was, it might be able to assist it more effectively. Secondly, if it could define what types of voluntary associations deserve support, the government would be taking fewer risks with taxpayer's money and ensuring that it was spent more effectively.

As noted in Chapter 1, the Council, because of the extreme diversity of voluntary action, believes that no rigid all-encompassing definition can be formulated. However, the Council has listed certain characteristics of voluntary associations. Thus, if the government wishes to support voluntary action, it should fund groups and organizations which:

- 1) are formed in order to further some common interest or objectives of their members;
- 2) members can join or leave without compulsion;
- 3) do not seek profit as an end in itself; if there is any profit, it should not be of the type which clearly labels the organization as profit-seeking; nor should the profits return to the members in most cases;
- 4) do not seek political power for its own sake but may utilize political means to further their goals;
- 5) are organized in such a way that policy-making is controlled by the members;
- 6) are independent, though they may collaborate extensively with government, business and other institutions or with each other; and
- 7) have generally a high degree of volunteer involvement throughout because of the internal characteristics of the group or organizations.

When the voluntariness of a group or an organization is necessary to its being able to assist a department in meeting its objectives, these characteristics might provide useful benchmarks. A department should also consider the function performed by the group or organization and the field of activity in which it is involved. As noted in Chapter 1, voluntary associations themselves cannot, and should not,

be categorized except in functional terms.

More difficult problems are raised when a department is concerned that the taxpayer's money is wisely and effectively used by a voluntary association. The Council has a few pragmatic suggestions in this area. The department should not give grants to individuals for their own private use. In fact, it should probably give grants only to voluntary associations with five or six members who are not related by marriage or blood. If it wishes to reduce its risks because of the size of the grant, the department might consider only funding voluntary associations which have been either incorporated or registered with Revenue Canada for income-tax purposes.

These suggestions should not be viewed as hard and fast rules but as rough guidelines which should be applied pragmatically and in the full knowledge that many exceptions will be encountered. The Council hopes that, if this report accomplishes nothing else, it will persuade the government to stop relating to inflexible and abstract categories of human behavior and relate -- well -- to people. The cornerstone of any coherent federal approach in this area should be the recognition that voluntary action is people, with all their strengths and frailties, choosing freely to act for the common good.

Chapter 11

The Legal and Tax Position
of
Voluntary Associations¹

INTRODUCTION

This chapter will outline the legal forms through which voluntary action may be conducted and the tax categories into which it may be classified. The Council found that many people and associations were confused about their legal and tax status and about the procedures required in each case. This will be discussed along with an analysis of changes that could be made to improve the situation of volunteers and associations involved in the conduct of voluntary action. In this chapter certain opinions are expressed with respect to tax and legal matters. A voluntary association should consult its own advisor to determine whether such opinions are correct as of the relevant date and applicable to its own circumstances. Also, annexed hereto, are draft agreements and by-laws. The voluntary association should review these with its professional advisor to determine whether they accomplish their particular needs or purposes.

¹ The Council wishes to acknowledge the assistance, in preparing this chapter, of R.M. Robertson and Alan M. Schwartz of the Toronto law firm, Fasken and Calvin.

LEGAL STATUS

(a) Individual

Very often voluntary action is performed by an individual acting in his personal capacity. In this case, the individual need not take any formal steps to confer legality on his voluntary activities. Acting in his personal capacity, however, he does not have any special powers or protection from legal liability. The Council is aware the giving of money is a voluntary action and has attempted to ensure that in its own recommendations no action to assist associations impedes this act.

(b) Unincorporated Associations

Individuals and/or other legal entities may unite to form an association to further a voluntary object or purpose which they consider worthwhile. The unincorporated association is not a legal entity recognized in law and individual legal liability may be incurred by its members. However, because of its simplicity, it is commonly used when the likelihood of legal liability is slight, when members know and trust each other, when very few funds are being handled, and where the cause or objective is a well accepted principle, as opposed to a radical activity that could be controversial.

In order to establish the procedures for accomplishing their objective, these persons are advised to enter into an agreement setting out the following:

1. Name;
2. Objects;
3. Number, term of office, qualification and duties of directors (directors are not legally required

but are often designated in the case of organizations established for an indefinite period);

4. Quorum and notice requirements for meetings of directors;
5. Number, term of office, qualification and duties of officers;
6. Number and qualifications of members of association;
7. Quorum and notice requirements for meetings of members;
8. Business to be transacted at meetings of members;
9. Fiscal year of the association;
10. Provisions for execution of cheques, contracts, etc., and
11. Procedure for and on dissolution of association and distribution of assets generally --
 - a) to pay debts of the group, and
 - b) to turn to proceeds over to some registered charity.¹

Annexed hereto as Appendices C-1, C-2 and C-3 are a suggested agreement for an unincorporated entity (both for a definite and indefinite duration) and a suggested agenda for the annual meeting of members thereof.

(c) Trust

One or more individuals and/or other legal entities may establish a trust to carry out a mutually desirable not-for-profit object or

¹ In this chapter, the Council will use the term "charity" as it is the legal term at present. This concession is in no way an admission by Council that it regards the term as acceptable.

purpose. Such persons are advised to execute a trust agreement between themselves, as settlors of the trust, and trustees, appointed to carry out the object or purpose. The agreement should set out the following:

1. Amount of property being contributed to the trust;
2. Objects;
3. Duties, powers and responsibility of trustees;
4. Number and method of appointment or retirement of trustees;
5. Provisions for execution of cheques, contracts, etc.;
6. Investment authority of the trustees;
7. Procedure for trustees to reach a decision in the absence of unanimity of views; and
8. Procedure for and on dissolution of trust and distribution of assets.

A trust is both simple and flexible but requires an articulation of detail to cover most eventualities and procedures since there are no codified rules as is the case with a corporation.

Annexed hereto as Appendix C-4 is a suggested agreement pursuant to which a trust may be established.

(d) Corporation (Incorporated Association)

One or more individuals or legal entities may incorporate or cause to be incorporated a non-share capital corporation that has objects which are of a not-for-profit or voluntary nature.

The affairs of such a corporation are governed by the applicable legislation under which they are incorporated, (federal or provincial). The forms and titles for registering the corporation vary among the Federal Government and provinces. Words such as "charitable organization", "society", "benevolent society" and "not-for-

profit corporation" are used in various jurisdictions. Generally, one incorporates a federal corporation if the association is endeavouring to become national in scope. On the other hand, if the scope of activity is limited to a particular community, a provincial corporation is generally incorporated.

For illustrative purposes, annexed hereto as Appendices C-5 and C-6 is a copy of the relevant provisions of The Corporations Act (Ontario) and suggested by-laws for a charitable corporation incorporated under this Ontario Act. From the relevant companies' branches, one can generally obtain application forms and suggested by-laws.

The advantages of a corporation are principally the limited liability afforded to its members, the codification of rules governing its affairs, and the unlimited life of the entity. The disadvantages are the cost of incorporation, the cost of maintenance of its existence, and a certain rigidity which follows from the codification of rules.

The qualification to be a director is determined by the relevant legislation, but in each jurisdiction the directors must be individuals. Directors are liable for certain acts or omissions of incorporated voluntary associations -- most notably for wages of employees in the absence of assets to cover these wages. The greater the amounts of money administered and numbers of employees, the greater the risk directors are incurring. In addition, there is a trend toward requiring directors to exercise a higher standard of care, diligence and skill. Failure to perform up to this standard may result in the director being personally liable for damages or loss arising therefrom. As a result, certain voluntary associations should consider incurring the additional expense of buying insurance to protect directors from liability to the extent legally possible.

The Council has found that many directors are not aware of this

trend. The present and future implications of directors' liability is a matter which should be studied and assessed by voluntary associations so that they can influence the development of governmental policy in this area. The Council was not prepared to make a formal substantive recommendation in this area, except to sound a warning to voluntary associations and urge governments to refrain from legislating in this area until they have consulted fully with voluntary associations.

A confirmation of this emerging issue occurred during 1975 in discussions of a proposed federal Bankruptcy Act (Bill C-60). In subsection 175 (1) of the Act, it was stated that directors should be liable for all wages payable at the date of bankruptcy. This debt was not to exceed \$2,000. for each employee working for the organization during their directorships. Fortunately, this legislation was extensively reviewed by the Senate Standing Committee on Banking, Trade and Commerce. In its report, the Committee commented that the priority accorded wage earners by this section could constitute a serious threat to the commercial lending system. The Committee recommended that consideration be given to the creation, under the authority of the Bankruptcy Act, of a government-administered fund out of which unpaid wages of employees could be paid up to a limit of \$2,000. The Committee asked that the Bill be revised on this and many other matters. However, no one considered the effect of the legislation on voluntary associations. In fact, neither government nor the Standing Committee would seem to have been aware of the possible repercussions of this legislation for not-for-profit associations or at least to have acknowledged any concern about this issue.

It is expected that revised legislation will be tabled in the House of Commons sometime in 1977. The Council, therefore, wishes to recommend that:

- (49) BEFORE REVISED LEGISLATION FOR A NEW BANKRUPTCY ACT IS PASSED BY PARLIAMENT, HEARINGS BE HELD WITH A VIEW TO PROVIDING VOLUNTARY ASSOCIATIONS THE OPPORTUNITY TO MAKE THEIR VIEWS KNOWN.

Finally, the Council suggests that, as board members are approached by voluntary associations, they be made aware of their obligations; that associations take whatever steps are necessary to help directors meet this obligation; and that a watching brief on this matter be effected by voluntary associations.

The Cooperstock background study indicated that about 80 per cent of local voluntary associations in its sample have been incorporated.¹ However, the Council heard in its own consultations that many small, completely voluntary associations at the local level have difficulty getting incorporated. This problem may or may not be too serious. It is undeniable, however, that many of those engaged in voluntary action believe that incorporation is essential for all groups whereas, as noted above, this is not the case.

In its investigations, the Council also discovered that, although the relevant federal and provincial acts all have the same intent, different terminology is used. This creates considerable confusion among many citizens. A second problem is that, though the intent of such legislation is acceptable, the definitions of organizations eligible for incorporation still smack of a narrow, stereotyped concept of charity. The Council, therefore, recommends that:

¹ Cooperstock, op.cit., p. 32.

- (50) THE FEDERAL AND PROVINCIAL GOVERNMENTS HOLD CONSULTATIONS TO ATTEMPT TO FORMULATE LEGISLATION AND PROCEDURES FOR INCORPORATION OF VOLUNTARY ASSOCIATIONS WHICH ARE CONSISTENT THROUGHOUT CANADA.

In 1974, two volumes were produced by the Department of Consumer and Corporate Affairs on not-for-profit corporations in Canada as a result of studies carried out by Professor Peter Cumming.¹ The enactment of legislation amending the present corporate law as it applies to not-for-profit corporations has been promised again and again since then. More recently, the Council ascertained that legislation would be introduced sometime during the present session of Parliament. The Council believes it is urgent that such legislation be brought in and, in particular, that appropriate discussions with the voluntary community take place. The Council therefore recommends that:

- (51) THE DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS TABLE IN THE NEAR FUTURE LEGISLATION ON NOT-FOR-PROFIT CORPORATIONS WHICH COMPRISES SIMPLE PROCEDURES FOR INCORPORATION.

Such procedures should reflect a concern for voluntary action in all its scope and definition.

Once this legislation has been enacted, the Department should develop draft application forms and by-laws as a means of simplifying the efforts of voluntary associations to become incorporated.

¹ Peter Cumming, Proposals for a New Not-For-Profit Corporations Law for Canada, (Ottawa: Information Canada, 1974), 2 volumes.

INCOME TAX STATUS

For tax purposes, a charity may be registered with Revenue Canada, Taxation, as a charitable organization or as a charitable foundation, depending upon the category into which it fits.

There are now some 35,000 registered "charities" in Canada. Out of 2,400 new applications for registration each year, some 1,300 succeed.

(a) Charitable Organization

A charitable organization is defined as an organization whether or not incorporated, all the resources of which are devoted to charitable activities carried on by the organization itself and no part of the income of which is payable to, or is otherwise available for personal benefit of any proprietor, member, shareholder, trustee, or settlor thereof.

Thus, it may be noted from the above definition that a charitable organization can be an incorporated or an unincorporated entity. The essential requirement is that all of its resources must be devoted to charitable activities carried out by it. Thus, such a requirement precludes donations or gifts to other activities with the same objectives, subject to the exceptions noted in paragraphs (ii) and (iii) below. The legislation provides, however, that a charitable organization will be deemed to be carrying on its own activities to the extent that:

- (i) it carries on a related business. By definition, a related business includes a business unrelated to the objects of a charity if it is carried on substantially

by volunteer, unpaid help;

- (ii) it disburses not more than 50 per cent of its income to qualified donees in any taxation year;
- (iii) it disburses income to a registered charity that the Minister of National Revenue has designated in writing is a charity associated with it. Such an association will be named by the Minister upon application by the charities where the charitable aim or activity of each of the charities is substantially the same.

(b) Charitable Foundation

A charitable foundation is defined as a corporation or trust constituted and operated exclusively for charitable purposes, no part of the income of which is payable to, or is otherwise available for, the personal benefit of any proprietor, member, shareholder, trustee or settlor thereof and that is not a charitable organization. From the foregoing definition, it can be noted that a charitable foundation can be a corporation or a trust but not an unincorporated association. Unlike a charitable association, there is not the 50 per cent limitation or distribution of income for the year by a charitable foundation to qualified donees. Thus, if the charity contemplated does not essentially carry on its own charitable activities directly, it is likely that the charity will be classified as a charitable foundation rather than as a charitable organization.

The category of charitable foundation is further sub-divided into public or private foundations.

A public foundation is defined as a charitable foundation in which:

- (i) more than 50 per cent of the directors or trustees deal with each other and with each of the other trustees at arms-length; and
- (ii) not more than 75 per cent of the capital contributed or otherwise paid into the foundation has been contributed or otherwise paid by one person or by a group of persons who do not deal with each other at arms-length.

A private foundation is a charitable foundation that does not meet the above test to qualify as a public foundation.

A charitable organization or a public foundation will be able to carry on a business if it is a related business or if it is operated substantially by volunteers who are not paid for their services. A private foundation will not be allowed to carry on any business.

APPLICATION FOR REGISTRATION

A charitable organization or a charitable foundation (whether public or private) must be registered by Revenue Canada not only so that donors may obtain a tax deduction for their contribution, but also as of February 1977 so that the income of the charity will be exempt from income tax. This development is an important one and voluntary associations should make every effort to comprehend it and, if necessary, register with Revenue Canada.

The procedure for applying for registration is outlined in Information circular 77-14, the relevant provisions of which are annexed hereto as Appendix C-7. This Circular has been substantially

revised in order to comply with the major recent amendments to the Income Tax Act. Where the Minister of National Revenue exercises his discretion not to register the charity, then the applicant may appeal the Minister's decision to the Federal Court of Appeal. The applicant, however, may consider first approaching the Regional or Head Office of Revenue Canada to ascertain the reasons for refusal and to endeavour to secure a favourable ruling.

MAINTENANCE OF TAX STATUS

In order to retain its tax status, a registered charity must expend in a taxation year on charitable activities by it and by ways of gifts made by it to qualified donees the amounts set out in Appendix C-8. These requirements are subject to certain transitional rules. The purpose in requiring that registered charities expend the amounts described in Appendix C-8 is to ensure that fund-raising expenses are restricted to a reasonable amount in relation to the funds collected. Rules are provided setting out how income is to be determined. Notwithstanding the foregoing distribution requirements, a registered charity may obtain advance approval from the Minister to accumulate property for a specific project.

A registered charity will also be required to file with the Minister of National Revenue an annual information return. In addition, it will be required to file a public information return, the contents of which will be available to the public. The public information return will include such items as gross income, total donations received, fund-raising costs, overhead expenses, and salaries to senior employees. Thus, the public will be able to determine the extent to which income and donations are being dedicated to charitable purposes as opposed to expenses and salaries.

The Council agrees with the intention of the amendment to the Income Tax Act concerning a public information return. However, there are certain situations where funds are only obtained from the membership of an association and receipts are given only to members, or not given at all. In this case, the members, through the normal democratic process, are fully aware where their funds are going and to what extent funds are used to pay administrative and other expenses. The Council believes that, in such cases, disclosure to the government is still necessary to ensure that the voluntary association is, in fact, adhering to the requirements for registration with Revenue Canada. The Council also believes that, as a general rule, this category of voluntary association should not have to submit a public information return. Possibly, the public return should only apply to those registered charities which solicit from donors outside their own organization -- that is, from individuals, foundations, corporations, governments, and others. However, registered charities, which receive only a small proportion of their funds from the general public and the rest from internal sources, can still argue that the requirement for a public information return is unfair.

The government did not consult with the Council or, in any systematic way, with voluntary associations before passing the amendments rendering the public information return mandatory. The Council objects to the indiscriminate application of this procedure, but cannot make any recommendations without further study.

REVOCATION OF REGISTRATION

The Minister of National Revenue may revoke the registration of a charity if the registered charity:

- (i) applies to the Minister in writing for revocation of its registration;
- (ii) ceases to comply with the requirements of the Income Tax Act for its registration as such;
- (iii) fails to file an information return as and when required under the Income Tax Act or a regulation;
- (iv) issues a receipt for a gift or donation otherwise than in accordance with the Income Tax Act and the regulations, or that contains false information; and
- (v) fails to comply with the requirement to keep adequate books and records.

In addition, the Minister of National Revenue may revoke the registration of a registered charity for the following reasons:

- (i) in the case of a charitable organization, where:
 - (a) it carries on a business that is not a related business of that charity; or
 - (b) it fails to expend in any taxation year its relative percentage of amounts for which charitable donation receipts were issued in the preceding taxation year;
- (ii) in the case of a charitable foundation, where:
 - (a) it carries on a business that is not a related business of the foundation if it is a public foundation, or in the case of a private foundation, it carries on any business;

- (b) it fails to expend on charitable activities carried on by it or by way of gifts made by it to qualified donees the required amount in any taxation year;
- (c) since June 1, 1950, it acquired control of any corporation;
- (d) since June 1, 1950 it incurred debts other than debts for operating expenses and administration of its charitable activities and debts incurred in connection with the purchase and sale of investments; and
- (e) at any time within the 24 month period preceding the day on which the Minister of National Revenue notified a public foundation that it was proposing revocation of its registration and at a time when it was a private foundation, it failed to expend amounts or took any action for which the Minister could have revoked its registration as a private foundation.

EFFECT OF REVOCATION OF REGISTRATION

A special tax is payable on the revocation of registration of a charity equal to the amount by which the fair market value of the assets of a charity at the effective date of its revocation exceeds the aggregate of:

- i) the fair market value on that date of properties transferred to other registered charities or qualified donees within one year of the revocation;

- ii) bona fide debts outstanding at that date; and
- iii) reasonable operating expenses incurred within that period.

PROBLEMS, PROPOSALS AND RECOMMENDATIONS

a) Definition of Charity

In his June 18th, 1971 Budget Speech, the Honourable E.J. Benson announced that the government was undertaking a re-examination of the provisions of the Income Tax Act relating to charities "...to determine whether the traditional definition of charitable organizations is broad enough to reflect real need in the 1970s."¹ Following this announcement, an interdepartmental committee was organized to consider, inter alia, the lack of the definition of "charity" in the Income Tax Act. This committee's studies resulted in a Discussion Paper² which was tabled in the House of Commons on June 23, 1975. Curiously, the Discussion Paper is completely silent on the question of whether the traditional definition of charity is broad enough to reflect the real need in the 1970s.

For example, a Policemen's Widows and Orphans Fund was denied registration on the grounds that it did not necessarily follow that a policeman's widow or child would be impoverished. The Department's

¹ House of Commons Debates. Third Session -- Twentieth-eighth Parliament, June 18, 1971. p. 6895.

² Department of Finance, Discussion Paper: The Tax Treatment of Charities, (Ottawa, 1975).

recommended solution in such a situation was that the funds be donated to a friendly municipality which would administer the funds for the widows and orphans. The particular fund in question was raised by the efforts of policemen. Those same policemen negotiated frequently with the municipality as to wages and benefits including pension benefits. It is, in fact, a misreading of the situation to suggest that the funds which those policemen raised should be handed over to the municipality for administration.

Many voluntary associations feel that the word "charity" implies only "service" organizations. The legislation dealing with charities has changed little since 1930 when deductions for "charitable" contributions were first allowed under Canadian Income Tax Legislation. However, voluntary action has changed considerably since that date.

An additional problem is that, because of the importance charitable registration has acquired, the notion of "charitable" has tended to be viewed as an official definition of what a voluntary organization is. In effect, National Revenue, through the interpretation of regulations by its officers, has been putting forward a major and very influential definition of a voluntary association, but one not acceptable to scores of citizens and people engaged in voluntary action.

This approach is totally inconsistent with what has happened in other government departments. They have had to deal with a wide variety of voluntary activity. As a result, they have come to accept, to a greater or lesser degree, a broader notion of voluntary action, or at least a notion which goes much beyond the narrow connotations of the term "charitable".

The principal activity of many associations clearly qualifies them for registration. However, certain associations engage in an ancillary activity which, although related to principal purpose, does

not meet the test of the Pemsel case,¹ which established in 1891 the traditional common law definition of charity. The ancillary activity may involve political protest or lobbying for legislation. Such organizations must be careful not to lose their tax-exempt status because of the non-qualifying ancillary activities. For example, the Council understands that a group vehemently protesting against the treatment of Soviet Jewry was threatened recently with revocation of registration because of this activity. Unless, and until, the Pemsel definition is expanded, such organizations are advised to consider conducting the non-qualifying activity through a completely separate organization.

In addition, this age is one when more and more associations are measuring their effectiveness by the degree of influence they can exert on the formulation of public policies or the administration of programs. As a result, almost every voluntary association is engaged in activity closely akin to political activity. Attempts to influence legislation can vary from the presentation of briefs to government or consultations with government officials to the extreme of picketing Parliament and advocating the defeat of a government. Many well known, established organizations have increasingly found themselves close to both ends of this continuum. Many of the social action groups which have emerged in recent years are even closer to the more extreme end of the continuum. Even if it is accepted that partisan political groups should be excluded from the Revenue Canada definition, there is no reason why other groups should be subject to vagaries of interpretation by departmental officials.

¹ 1891 AC 531 at p. 580. This classification reads as follows:

"Charity in its legal sense comprises four principal divisions -- trusts for the relief of poverty, trusts for the advancement of education, trusts for the advancement of religion and trust for other purposes beneficial to the community, not falling under any of the preceding heads."

If such interpretations were consistent with today's reality and the broader definitions of voluntary action, then there would be less to criticize. There is a definite trend towards constructive advocacy in Canada and it has not been viewed as "charitable" activity by Revenue Canada.

The view in the Department has been that, as soon as a charity took action to put pressure on a governmental body to adhere to the charity's views, it was engaged in a non-charitable political activity. As a result, there have been growing numbers of instances where organizations were required to abstain from non-charitable political activities, as interpreted by Revenue Canada, in order to maintain their registered status. If such an event occurred when an organization was applying for registration, the organization was told that it could not qualify without some sort of remedial action. The departmental interpretation of what constituted a charitable activity appeared to have been stricter for associations applying for registration than it had been for associations already registered.

This narrow interpretation left voluntary associations little basis for an appeal. It was, therefore, suggested to the Council by several different groups that they had no alternative but to play the game according to the rules of the Department. This approach meant framing their constitutions in acceptable language, thus either compromising their objectives or using meaningless phrases to circumvent the rules. Neither solution has been acceptable.

Revenue Canada has not acted improperly in its policy. Rather, it has adhered strictly to the traditional common law definition of charity as originally established in the Pemsel case in 1891. This definition is unrealistic for our time. Indeed, as a result of a great deal of pressure by associations, the Council has been told that the Minister of National Revenue is reviewing the present situation with a

view to clarifying the position of her department. The Council, therefore, recommends that:

- (52) THE FEDERAL GOVERNMENT RE-EXAMINE THE DEFINITION OF CHARITY AND SUBSTITUTE A LEGAL DEFINITION MORE CLOSELY IN KEEPING WITH THE REALITY OF VOLUNTARY ACTIVITY AS DESCRIBED BY THIS COUNCIL.

In fairness, it is not just the political interpretation of charity which is the problem. Many groups do not know how to apply for charitable registration. It may be their first interaction with government or with a legal process. At the moment, such procedures are not adequately spelled out and much is left to ministerial discretion, thus enhancing the subjective nature of the process. This information should be distributed as widely as possible. The Council, therefore, recommends that:

- (53) THE GOVERNMENT OF CANADA DIRECT THAT A REVIEW BE CARRIED OUT TO DEVELOP SIMPLE GUIDELINES FOR THE PROCEDURES BY WHICH TAX REGISTRATION APPLICATIONS ARE HANDLED AND ALSO TO DEVELOP MORE OBJECTIVE GUIDELINES AND BROADER REGISTRATION CRITERIA MORE IN KEEPING WITH THE REALITY OF VOLUNTARY ACTIVITY TODAY.

The Council further recommends that:

- (54) THIS REVIEW INCLUDE AN EXAMINATION OF THE CONCEPT OF FIVE-YEAR ASSESSMENTS OF ALL REGISTRATIONS.

If the terms of registration are well stated, sufficiently broadened and periodically reviewed, then it is only fair that voluntary associations subject themselves to such assessments.

The Council also recommends that:

- (55) THE RESPONSIBILITIES FOR REGISTRATION AND DE-REGISTRATION OF CHARITABLE ASSOCIATIONS BE TRANSFERRED FROM REVENUE CANADA, WHICH IS ONLY CONCERNED WITH THE COLLECTION OF REVENUE, TO THE DEPARTMENT OF THE SECRETARY OF STATE, WHICH HAS SOMEWHAT BROADER CONCERNS. THE DEPARTMENT SHOULD BE AUTHORIZED AND ENCOURAGED TO TAKE A MORE FLEXIBLE VIEW OF OBJECTS AND ACTIVITIES WHICH ARE FOR THE GENERAL GOOD OF THE COMMUNITY.

The administration of the compliance sections relating to charitable associations is properly entrusted to the Minister of National Revenue. However, the decision as to whether registration should be granted or revoked should be made by a department that, because of its mandate, has a broader perspective. If registrations were transferred to the Department of the Secretary of State, there would be the protection that, where the Minister of National Revenue felt a violation had occurred, he could recommend a revocation of registration to the Department.

The Council believes this shared responsibility will create a proper check and balance. Under the Council's recommendation, only the responsibility for registration of charitable organizations would be transferred to the Department of the Secretary of State. The responsibility for the overseeing of technical compliance with provisions of the Income Tax Act exempting associations from paying income tax would be left to the Minister of National Revenue.

At the present time, voluntary associations may appeal to the Federal Court of Appeal a ministerial decision not to register them as a charity or to take away their registration. Many voluntary associations

do not know how to commence this appeal procedure. In quite a few cases, their application for registration is their first experience with government or a legal process. It is unfortunate, then, that these appeal procedures are not rendered more explicit and publicized. In addition, there is considerable ministerial discretion in this entire area, which renders decisions on whether to register an association quite subjective. Thus, the Council recommends that:

- (56) AN INDEPENDENT THREE-PERSON BOARD BE CREATED TO REVIEW REJECTED APPLICATIONS FOR REGISTRATION AND REVOCATION OF REGISTERED STATUS UPON THE REQUEST OF EITHER THE AFFECTED VOLUNTARY ASSOCIATION OR THE MINISTER, AND TO RECOMMEND TO THE MINISTER THE PROPER COURSE FOR HIM TO TAKE WITH REGARD TO THE REGISTRATION OF THE AFOREMENTIONED VOLUNTARY ASSOCIATION.

The review board would be expected to apply a new perspective to these questions. Borderline decisions are often difficult for the staff of any organization; this board would provide support to departmental staff and provide an additional safeguard for the interests of voluntary associations applying for registration.

However, the board should not be seen as a substitute for any other method of appeal, nor should it focus upon administrative errors created during the processing of registrations. Rather, the board should be a source of second opinions on the difficult borderline decisions made by officials on whether to register or de-register a voluntary association.

(b) Background Considerations Relevant to
Individual and Corporate Giving

"Charities continue to exist because individuals privately contribute time and money, but governments crucially affect the needs which charities are called upon to meet and the environment in which they raise their funds.", stated Samuel Martin, et. al., in their 1976 study for the Council.¹ This section will focus on the environment in which those engaged in voluntary action raise their funds.

The Income Tax Act first permitted, in 1930, the deduction of charitable donations from both corporate and individual income. Such deductions could be no greater than 10 per cent of net taxable income. There was virtually no official discussion of this provision until the Carter Commission² recommended such minor changes as the extension of the base of the 10 per cent limit from net taxable to assessed income and the concession of a one-year carry-forward of exemptions unused in the current taxation year. In addition, donations to certain government institutions qualified for unlimited deduction.

The only legislative change in this area precipitated by Carter occurred in 1971 when the limit on deductions was raised to 20 per cent for both individuals and corporations. Though the general deductibility of charitable donations did not change in 1971, the introduction of new taxes and the revision of old ones altered the amount of tax paid by individuals and corporations. These changes may have influenced donors' decisions on how, when, and what to donate. For example, it is questionable whether the taxation of capital gains would lead certain persons who realized a capital gain to contribute to charity since they would rather "give the money to charity than to

¹ Martin, et. al., op.cit., p.1.

² Royal Commission on Taxation.

the government." Such persons, in the absence of a tax on capital gains, might have retained the full proceeds for their own use. It is also uncertain whether a decrease in after-tax dollars resulting from tax on capital gains tends to result in a decline in giving.

Another example of such a change was the reduction of death taxes levied by federal and provincial governments. These taxes were in effect replaced by a capital gains tax on death. However, the effect of these changes on the amount of death bequests to charities has not been fully studied.

The most recent amendments this year concern themselves with reclassification of charitable organizations and foundations, and the rules by which qualification for tax-exemption status is obtained. Information disclosures with respect to distribution of funds, costs, and so on, have already been noted.

Martin and his collaborators state in their study for the Council that the focus of attention by government in the past has been on regulating the expenditure of philanthropic money rather than on examining tax changes which would influence donors to contribute more.¹

In its own examination of all these issues, the Council concluded that, given the value and importance of voluntary action to Canadian society, it was the responsibility of the Federal Government to create a favourable climate for voluntary action. One necessary condition for the flourishing of voluntary action is a tax climate which would give prospective donors an incentive to support voluntary activity, rather than spend their money for private purposes. It immediately became apparent to the Council that there is very little data or

¹ Ibid., p. 3.

analysis available on "giving" in Canada. Martin's analysis, the Bird and Bucovetsky study for the Canadian Tax Foundation,¹ and several research papers appear to be the only studies available at the present time. The Council's time and resources were too limited to permit an in-depth analysis of this very important field. Although Martin's analysis is a major step forward, it only begins to scratch the surface. Definite conclusions cannot be drawn, due generally to the unavailability of detailed breakdowns of taxation data. These are held by Statistics Canada, but could only be released after prolonged negotiations and if the recipient adheres to complex safeguards. The Council had neither the time nor the resources for such an undertaking.

However, through its tax studies and other sources, the Council did manage to identify the alternate approaches to the changing of tax conditions for charitable giving and to indicate tentatively some of their strengths and weaknesses. The Martin study, in particular, identified several new approaches and formulae along with their probable effects. These approaches included: 125 per cent deductibility, a tax credit scheme, the removal of the standard \$100 deduction and a matching-grants scheme. The Council recommends that:

- (57) THE FEDERAL GOVERNMENT UNDERTAKE AN IN-DEPTH STUDY OF THE RELATIONSHIP BETWEEN THE INCOME TAX ACT AND CHARITABLE GIVING IN CANADA, WITH A VIEW TO IMPROVING THE INCENTIVE TO GIVE TO VOLUNTARY ACTIVITY IN CANADA.

The government should commence this study with a review of the four approaches identified by Martin and his collaborators plus the variations on these approaches. There may also possibly be better

¹ R.M. Bird and M.W. Bucovetsky, Canadian Tax Reform and Private Philanthropy, (Toronto: Canadian Tax Foundation, 1976).

alternatives which should be examined in the study.

(c) Possible Changes in Tax Provisions
for Individual Giving

Changes in the tax conditions for charitable giving involve trade-offs between what the government stands to lose in tax revenue and what voluntary action stands to gain both as a whole and in terms of individual voluntary associations. Further complex issues also arise. For example, it is necessary to discover whether low-income or high-income donors are more likely to be affected by any proposed change and, in addition, which associations might benefit most or least.

Studies of voluntary giving are based on the notion that there is a price to a charitable donation. The price is the net cost to the taxpayer of his donation. The responsiveness of the donor to this price varies according to the formula being proposed -- that is, a donor's willingness to give will depend on the formula and whether it actually does constitute an incentive to giving. The main variable affecting price is the marginal tax rate, which varies according to size of income. For this reason, it is also necessary to consider the equity of any formula affecting the amount of tax paid by those earning different levels of income. No formula should favour higher-income over lower-income taxpayers.

Martin has stated that, as income rises, charitable donations increase absolutely, though not proportionately to the rise in income.¹ In other words, the more money people make, the smaller the portion of that money is given to charity. In addition, tax inducements to individuals to donate more heavily to private charities do not necessarily

¹ Martin, Financing Humanistic Service, p. 48.

produce increases in donations to those charities equal to the decrease in government revenues. In other words, taxpayers might keep some of the money for themselves, depending on the tax scheme being used.

Tax credit system: An overall tax credit system involves a deduction from tax rather than a deduction when computing income to which the appropriate rate of tax is applied. Under such a formula, everyone's cost is ostensibly the same because the same amounts of credit would be made available across the board.

However, in actual fact, a tax credit system provides more real income to the low-income taxpayer. Both the Carter Commission on Taxation and the Filer Commission on Private Philanthropy and Public Needs in the United States revealed that a tax credit system intended to stimulate philanthropy provides greater inducement to lower and middle income taxpayers than it does to higher income taxpayers. If it is assumed that total giving would remain constant -- that is, that the lower and middle-income earners would increase their giving proportionately to the decline in giving by higher-income earners -- the result would be to increase support to the religious community and decrease support to cultural, educational and medical institutions. The former tends to be supported by those earning lower incomes; the latter, by those with higher incomes.

Martin corroborates this conclusion and states that charitable organizations now heavily dependent on the wealthy would face difficult times. Some rates of tax credit could be expected to yield quite large increases in aggregate donations, but at the cost of even larger losses in government revenues.¹

¹ Martin, et. al., op.cit., p. 43.

Consequently such a system cannot be recommended, at least not for the moment because of its possible major effects on the distribution of donations. It should be noted, however, that this approach has been adopted for contributions to eligible political parties.

If ever this system is used, it should not be a 100 per cent tax credit. It should cost the taxpayer something to elect to give support to an association as opposed to paying taxes.

Matching government-grants system: Under this system, the government would have to match, in whole or in part, all charitable donations made to registered associations and pay them lump sums at regular intervals.

Such a system appears neat and simple and can be fine-tuned easily and regularly by changing the ratio of government grants to other income. Taxpayers would, in effect, be directing government money to their favourite charity. It can also be expected to provide the largest increase in the revenues of associations as a whole for a given government revenue loss.

Under such a system, enormous support would probably go to high-profile, successful associations, while little or no support would go to less visible causes, no matter how worthy. In short, the general and, therefore, indiscriminate application of a matching-grants system could well create real hardship for certain types of voluntary associations -- particularly if the apparent generosity of this system led to a decline in private donations and other forms of government funding. Further, the administrative costs have not been estimated.

Tax Deductions: Under the Income Tax Act, an individual may deduct the optional standard deduction of \$100 instead of deducting

itemized charitable donations and medical expenses. Those individuals who do not deduct the optional standard deduction, and other taxpayers (for example, corporations), may deduct from income actual charitable donations for which receipts are produced. The amount of the deduction is limited to 20 per cent of net income in the year of the donation. Any unutilized deduction may be carried forward and applied against income in the following year, again subject to the 20 per cent restriction.

For taxation year 1974, 91 per cent of individual taxpayers claimed the \$100 standard deduction. No study has yet been done on the actual medical expenses and giving behavior of these millions of taxpayers. No one knows whether they actually give and, if so, how much in relation to their income level and in what proportion to registered or unregistered associations.

Pressure for changes in the standard \$100 deduction has been growing recently. Some voluntary associations argue that the combining of charitable donations with medical expenses for tax deduction purposes leads to confusion and diminishes the importance, in the taxpayers' eyes, of charitable giving. Many voluntary associations claim that most individuals pocket the \$100. For these reasons, voluntary associations see the present deduction system as a disincentive to giving and ask that it be repealed or changed.

According to Martin, et al., the present deduction system creates a climate for giving, "...wherein a dollar's generosity of a poor man costs him more than the dollar's generosity of a rich man.",¹ because the latter has a higher marginal tax rate. For this reason, many experts in this field have argued that the system needs to be revised.

¹ Ibid., p. 25.

One alternative is to eliminate the standard deduction. The calculations of Martin and his collaborators show that such a change would increase the amount of tax revenues received by government, but would also intensify the inequalities in the distribution of income within society.¹ This change would not provide more funds to registered organizations and might disadvantage unregistered bodies now being more or less supported under the \$100 standard deduction.

Another alternative is to eliminate the standard deduction, but provide 125 per cent deductibility to all taxpayers -- that is, for every one dollar donated, \$1.25 could be claimed. The figures show that this modification would be a relatively costly method: government would lose more than \$43 million in tax revenue and charity would only gain some \$30 million from taxpayers with incomes under \$100,000. It would also be inequitable because, as mentioned above, the higher-income taxpayer would benefit more.²

A Temporary Solution: The Council has assessed the foregoing changes in light of three principles. First, a tax provision must constitute an incentive to charitable giving. Second, it must ensure to the greatest extent possible that both higher-income and lower-income taxpayers receive an equal incentive to give. Third, it must not increase income inequalities in Canada.

It would seem that none of the changes in tax provisions described in this section is totally suitable. As isolated proposals, each of these possible changes has fundamental weaknesses. However, it may be that some combination of these proposed changes may be more appropriate.

¹ Ibid., pp. 28, 29, 30.

² Ibid., pp. 24, 25.

The present deduction system in itself clearly does not provide a sufficient incentive to giving. As already noted, there is good reason for suspecting that many people simply pocket the \$100. Beyond this, a person must contribute more than \$100 and keep his receipts in order to be able to deduct more than \$100. A greater incentive to giving would no doubt exist if a person was able to deduct both the \$100 and, in addition, the amount of any charitable donation for which he had receipts.

There would also be more of an incentive if medical expenses and charitable donations were not combined for tax deduction purposes. As already noted, this arrangement may lead to a certain confusion and also diminishes the importance of charitable giving in the eyes of the taxpayer.

Thus, the Council recommends that:

- (58) THE STANDARD \$100 DEDUCTION BE RETAINED, BUT MEDICAL EXPENSES BE REMOVED AND TREATED AS A SEPARATE ITEM; FURTHER, AND IN ADDITION, ALL ITEMIZED, CHARITABLE DONATIONS BE ALLOWED AS DEDUCTIONS UP TO THE MAXIMUM PERCENTAGE.

Retention of the standard \$100 deduction, even with these modifications, will not be sufficient. In fact, the Council is only retaining this deduction because, as already noted, its removal -- or the general application of more radical modifications -- could well lead to more serious problems. However the Council is aware that action on even this recommendation by itself will lead to higher-income taxpayers' having a greater incentive to give.

For this reason, the Council would argue that there is a need for the selective application to lower-income taxpayers of other tax incentives to give. As already noted, these could include either tax

credits or increased deductions for which only lower-income taxpayers are eligible. Thus, as a further immediate step, the Council recommends that:

- (59) ADDITIONAL INDUCEMENT TO GIVING BE PROVIDED TO LOWER-INCOME TAXPAYERS, EITHER BY WAY OF A TAX CREDIT OR BY AN INCREASED DEDUCTION, AND AN IMMEDIATE STUDY BE UNDERTAKEN OF THE BEST MEANS OF ATTAINING THIS OBJECTIVE.

This study should be a more immediate priority than the broader in-depth study of the relationship between the Income Tax Act and charitable giving proposed in Recommendation #57.

(d) Corporate Giving

In Chapter 5, several observations were made about business corporations -- and, in particular, their responsibilities and the factors affecting their donations. Though it might be desirable to provide a special inducement to encourage corporate giving, studies to date have not pointed to an appropriate mechanism or formula.

However, many corporations argue that they experience a fluctuation in net profit or loss from year to year. Some individuals and associations wondered whether this was an explanation or a rationalization for the present low level of corporate giving. Whichever view is accepted, the Council believes that corporations might be induced to give more if they had five years to carry over unabsorbed charitable contributions. Thus, the Council recommends that:

- (60) CORPORATIONS BE ALLOWED A FIVE-YEAR CARRY-FORWARD PERIOD FOR CLAIMED CHARITABLE DONATIONS.

(e) Charitable Bequests and the Income Tax Act

Prior to 1972, the charitable bequest was completely exempt from federal death tax. Though there are no federal death taxes at present under the Income Tax Act, the charitable bequest may be taxed on death. For example, a bequest of appreciated property may trigger a capital gain but the deduction for such a bequest is only the same as is available during life. The bequest may be deducted in the year of death but only to the extent of 20 per cent of income in that year. As a result, any unabsorbed deduction is lost. The Council examined very carefully the excellent tax study in this area by Bird and Bucovetsky (1976) and agreed with its conclusion that the 20 per cent limit on deductions in the year of death is more stringent than the usual limit because there is no carry over.¹

The Council accepts the principle that taxes on death should raise revenue and break up large pockets of wealth. It is clearly consistent with the latter objective that a full deduction be allowed when property passes on to charities by bequest. Thus, the Council recommends that:

- (61) A FULL DEDUCTION BE ALLOWED FOR CHARITABLE BEQUESTS AND THE DEDUCTION BE AVAILABLE, NOT ONLY FOR THE BROKEN PORTION OF THE YEAR OF DEATH, WHICH MAY BE A SHORT PERIOD, BUT ALSO FOR THE PRECEDING YEAR AS WELL.

(f) Annual Meetings

Recent Income Tax Act amendments implement a certain recommendation in the June 1975 Discussion Paper on The Tax Treatment

¹ Bird, et. al., op.cit., p. 56.

of Charities published by the Department of Finance. In this paper, it was recommended that every registered charity be required to file an annual public information return accounting for its administration and charitable activities.¹ The Council recommends, in addition, that:

- (62) REGISTERED CHARITIES BE REQUIRED TO HOLD ANNUAL MEETINGS AT WHICH AUDITED FINANCIAL STATEMENTS WOULD BE APPROVED AND THE PUBLIC INFORMATION RETURN RELATING TO REGISTERED CHARITIES WOULD BE REVIEWED.

The Council believes that if public information returns are to be required by the government, the entire membership of the voluntary association should be aware of and responsible for their contents.

(g) Capital Gifts

The Income Tax Act contemplates some capital gifts to charities where the donor requires that the gift not be expended for a period of 10 years or more. Such gifts are not included by the charity in its annual income. The Act also provides that a charitable organization must distribute the relevant percentage "...of the aggregate of amounts for which it issued receipts...in its immediately preceding taxation year." Thus, a charitable organization in year one may be given an amount which it is legally precluded from distributing by the terms of the gift and such a gift is proper and contemplated under the Act. In the following year, however, the charity must find from other sources sufficient funds so that it can distribute the relevant percentage of all receipts of the previous year including the capital receipt.

¹ Discussion Paper, p. 12.

A public foundation which receives a gift subject to a direction that the property given be held for 10 years may exclude the gift for the purposes of the distribution requirement. No such exclusion is available to a charitable organization. In the absence of a reason for such distinction, the Council recommends that:

- (63) THE PROVISION BY WHICH A PUBLIC FOUNDATION, RECEIVING A GIFT SUBJECT TO A DIRECTION THAT THE PROPERTY GIVEN BE HELD FOR TEN YEARS, MAY EXCLUDE THE GIFT FOR THE PURPOSES OF THE DISTRIBUTION REQUIREMENT, BE EXTENDED TO CHARITABLE ORGANIZATIONS.

(h) Life Insurance

In its Interpretation Bulletin IT-244, Revenue Canada has set forth its policy that gifts of life insurance policies to registered charitable organizations may be deducted as charitable donations to the extent of the cash surrender value of the policy. Funds given for the specific purpose of paying premiums on the policy which has been donated are deductible by the donor as proper charitable donations. Payment of the premiums by the charity, however, is not considered to be a deductible expense in computing the income of the charity. The result is that the funds donated to pay the premiums are included in the amount and a relevant percentage of it must be distributed in each year.

The Income Tax Act excludes from the income of a charity gifts which, by the terms of the gifts, the charity is prohibited from distributing for 10 years or more. If a life insurance policy or monies to pay the premiums are given to a charity, it is unlikely that anyone can accurately contemplate the time when the funds will be available to the charity for distribution. It is clear that the gift is of a capital nature and not available to the charity for distribution until some future use. It is therefore wrong to require that the cash surrender

value of the policy and any annual gifts or premiums be included in the amount to which the relevant percentage applies. The Council therefore recommends that:

- (64) THE INCOME TAX ACT BE AMENDED TO INCLUDE A PROVISION THAT, WHERE A LIFE INSURANCE POLICY OR MONIES TO PAY THE PREMIUMS ARE DONATED, THE GIFT BE EXCLUDED IN DETERMINING THE ANNUAL INCOME OF THE CHARITY.

(i) Other Federal Taxes

Frequent negative references to other federal taxes were made throughout the Council's consultations -- and, in particular, to the 12 per cent federal sales tax on printing. At the present time, the exemption from this tax applies to material of technical, educational, cultural or literary value, or printing for school boards and educational institutions, but not for advertising purposes. The definition of "educational" does not encompass all types of voluntary action.

Because good communications with their members and the public are vital to all voluntary associations, printing is generally a major and necessary cost. It would be relatively easy for the government to take concrete action which would alleviate this burden and demonstrate its desire to encourage voluntary action. The Council, therefore, recommends that:

- (65) THE PRESENT FEDERAL EXCISE TAX EXEMPTION FOR PRINTED MATERIAL BE EXTENDED TO PRINTING BY ALL REGISTERED VOLUNTARY ASSOCIATIONS OF PUBLICATIONS TO BE DISTRIBUTED TO THEIR MEMBERS AND THE PUBLIC.

(j) Tax Compendium

Judith Rekai, a law student at the University of Windsor, developed for the Council a compendium of tax exemptions applying to not-for-profit associations in Ontario. There is no reason why such a compendium could not be prepared for all of Canada and for each province. It would be very helpful to voluntary associations now confused by or ignorant of the wide array of federal and provincial concessions affecting their operations. Law students working under the guidance of a qualified advisor could be hired to compile such a compendium during their summer vacation.

The Council's compendium has been deposited with the Department of the Secretary of State and the Council suggests that it be used as a model for future efforts in this direction.

CONCLUSION

Increasingly, voluntary associations are being expected to register for income tax purposes and disclose information about their expenditures. The Council favours these developments and has made recommendations to ensure that they are fairly applied and that voluntary associations assume a greater responsibility for their own affairs. However, it should be noted that these requirements should not be indiscriminately applied to all categories of voluntary associations. Though such measures may reduce the few cases of fraud in this area, excessive restrictiveness can have serious implications for voluntary action.

Many changes have recently occurred in the whole area of tax legislation and the Council itself has been somewhat overtaken by events.

These changes may well have important ramifications for financial contributions to voluntary action. For this reason, the Council cannot emphasize too much the need for careful monitoring by government of the effects of its tax legislation upon financial support for voluntary action.

Chapter 12

Non-Financial Support

INTRODUCTION

The relationships between the Federal Government and voluntary action are very diverse and complex when one considers the total picture and not just financial matters. In fact, the more important relationships may well be non-financial. In this chapter, the focus will be upon three main categories of non-financial relationships. These involve general support, the bestowal of recognition and the release of information. A fourth type -- consultative relationships -- will be discussed in chapter 13.

These necessarily varied relationships are badly in need of a thorough assessment by both government and voluntary associations. Certain principles must govern such relationships. For example, it is vital that all relationships between government and voluntary associations involve two-way communications. Both sides will have to be vigilant to meet this goal. Volunteers and voluntary associations should also not have to appear cap in hand on department doorsteps; they have more to contribute than to receive. Finally, governmental officials must learn to appreciate the unique nature and value of voluntary action and become aware how their attitudes, policies and programs can profoundly affect voluntary associations.

GENERAL SUPPORT

The most obvious form of non-financial assistance is aid-in-kind. This includes access to government facilities, premises, resources, efforts to improve the responsiveness of government personnel to voluntary action and various types of non-financial support services.

At the present time, their provision depends upon the goodwill of governmental personnel at all levels and the ingenuity of voluntary associations in seeking out this assistance. However, aid-in-kind could be effectively provided at relatively little cost if clear guidelines existed for supplying this assistance. Ottawa offices and those in the field should also be permitted a certain flexibility when providing general support.

(a) Travel and Communications

In particular, the government should focus on ways in which it could help voluntary associations overcome the vast distances and geographical barriers separating so many Canadian communities. The nature of voluntary associations means that their executives and memberships must remain in fairly close contact with each other.

It is very costly to communicate or travel between different communities separated by such distances. These costs are particularly burdensome to national voluntary associations. The size of Canadian provinces also means that even voluntary associations which serve a single province -- let alone a region -- encounter similar difficulties. The problem is not quite so severe for voluntary associations operating within a single community, but the members of many such associations must often communicate with and travel to provincial capitals and other cities

for a variety of reasons. It can be seen that voluntary associations at all levels need some support in the areas of transportation and communications. For this reason, the Council recommends that:

- (66) THE DEPARTMENT OF THE SECRETARY OF STATE, IN COLLABORATION WITH A COMMITTEE OF VOLUNTARY ASSOCIATIONS, STUDY THE BEST WAY TO IMPLEMENT SPECIAL MEASURES TO HELP VOLUNTARY ASSOCIATIONS OVERCOME PHYSICAL BARRIERS TO COMMUNICATION.

More specifically, the government should consider how to render such government communications facilities as WATS telephone lines and Telex accessible to voluntary associations at no or limited cost. In the area of transportation, the department and the committee should examine how best to ensure that the economies of charter and excursion flights can be made available to members of voluntary associations attending their annual conventions and meetings. Another approach would be for the government to set up a system of grants which could be used in reimbursing members of voluntary associations part of the transportation costs incurred when going to and returning from such meetings.

Most voluntary associations depend extensively on the circulation of printed materials to their memberships because, unlike government and business, voluntary associations do not have access to such facilities as WATS lines or Telex. Most voluntary associations also cannot afford such facilities, and long distance telephone calls over normal lines can be prohibitively expensive in any quantity. Thus, in order to maintain adequate and efficient communications with their members, voluntary associations have to resort to the mails -- however slow and inefficient they may be -- because there is no other alternative. The effects of continually rising postal rates can be very serious, not only in strictly financial terms, but also because they force some associations to rely on bulk mailings which have a low priority in the post

office.

The Council believes that the solution lies in a special reduction in postal rates for the informational materials and publications of voluntary associations. The government already keeps track of many voluntary associations through their registration as "charities" by Revenue Canada. Accordingly, the Council recommends that:

- (67) THE FEDERAL GOVERNMENT GRANT A SPECIAL POSTAL RATE FOR MAILING OF PUBLICATIONS AND INFORMATIONAL MATERIALS BY ALL VOLUNTARY ASSOCIATIONS REGISTERED WITH REVENUE CANADA.

(b) Exchanges

Another method of assistance could be exchanges of personnel between the Federal Government and voluntary associations. This method would be applicable at all levels of government and to all types of voluntary associations. Exchanges could assist government and voluntary associations in understanding and appreciating their respective problems and strengths. The operation of such exchanges could be quite simple. Departmental personnel could be seconded to voluntary associations for fixed periods, whether several months or a year or two; and vice versa. One model for such an exchange program could be the existing Interchange Program sponsored by the Public Service Commission and involving exchanges between the private sector and government.

One characteristic of this exchange program which could pose problems for voluntary associations is that participating organizations are usually expected to cover differences in salary between that for a staff position and that of the outsider coming in to fill the position. Most voluntary associations do not have surplus funds in their budgets and would, therefore, be unable to make up this difference in salaries.

This problem could be fairly acute because a staff member in a voluntary association is usually not paid as much as a government employee in a similar position. Some special arrangement -- for example, a government grant to cover salary differences -- will be necessary if exchanges between government and voluntary associations are to be practicable.

Difficulties could also arise if someone from government was parachuted into a small voluntary association without some prior initiation into the working of that association by the staff person whom he would be replacing. Orientation sessions for both the staff of the association and government employees involved in exchanges are obvious prerequisites for the success of such a program. The Council, therefore, recommends that:

- (68) THE INTERCHANGE CANADA PROGRAM, SPONSORED BY THE PUBLIC SERVICE COMMISSION, BE REVIEWED AND EXPANDED TO PERMIT SECONDMENT OF GOVERNMENT PERSONNEL TO VOLUNTARY ASSOCIATIONS AND VICE VERSA, IN A FASHION WHICH IS RESPONSIVE TO THE PARTICULAR DYNAMICS OF VOLUNTARY ASSOCIATIONS AND THOSE OF GOVERNMENT.

Such exchanges must be two-way and well-planned in order to be truly beneficial. One cannot choose a voluntary staff person at random and fit him into a government organization. It is essential to choose a staff member well versed in a certain field -- whether community planning, recreation or adult education -- and ensure that he is assigned to a government program in that or a related field. Similarly, a government personnel officer, for example, with experience in developing policies could be assigned to a rapidly growing agency with out-dated personnel policies which are irrelevant to its emerging needs. Depending upon the quality of the orientation sessions given to participants in such exchanges, they will acquire an abundance of useful information about their mutual perspectives and problems.

The Council is well aware that many voluntary associations expressed reservations about such an exchange program. There is also no need to speculate about how government personnel would regard this idea. It is precisely because such attitudes exist within both voluntary associations and government that such exchange programs are needed. They might help to break down these barriers of suspicion.

(c) Orientation for Public Servants

The Council heard many complaints from voluntary associations about the attitudes of public servants at every level of government. Volunteers did not feel that they were recognized as concerned citizens attempting to influence the forces acting on them and their communities. They also wondered whether their involvement in voluntary action was viewed as valid by many of the bureaucrats with whom they had to deal in order to secure support. For this reason, the Council recommends that:

- (69) THE PUBLIC SERVICE COMMISSION OF CANADA DEVELOP AN ORIENTATION PROGRAM INCORPORATING VARIOUS MEANS TO ASSIST GOVERNMENT OFFICIALS WHO INTERACT WITH THE VOLUNTARY COMMUNITY IN BECOMING MORE AWARE OF THE ROLE, HISTORY, CHARACTERISTICS AND IMPORTANCE OF VOLUNTARY ACTION IN CANADIAN SOCIETY.

The orientation and training of public servants need not involve lengthy sessions; it could simply consist of orientation lectures or short sessions developed with the collaboration of volunteers and the staff of voluntary associations in each community. Such training and orientation need only emphasize one basic point: the effectiveness of government programs relating to those engaged in voluntary action depends to a significant extent upon how sensitively program staff can relate to representatives of voluntary associations. The orientation program might reduce mutual suspicions and generate a relationship which

would enhance the effectiveness of governmental programs and voluntary activities. The Council therefore recommends that:

- (70) THE PUBLIC SERVICE COMMISSION OF CANADA ENSURE THAT ALL OFFICIALS AT ALL LEVELS, WHO IN THE COURSE OF THEIR WORK ARE REQUIRED TO RELATE TO VOLUNTEERS AND VOLUNTARY ASSOCIATIONS, HAVE THE MEANS TO DEVELOP THEIR AWARENESS OF HOW TO WORK MOST EFFECTIVELY WITH THEIR CLIENTELE.

Representatives of voluntary associations are often as uninformed about the workings of government as government officials are about voluntary action. For this reason, government might also consider providing orientation programs on government operations for members of the voluntary community who must deal directly with government. Certainly, government has the facilities, resources and personnel to conduct such a program with very little effort.

(d) Orientation for New Citizens

Many new Canadians are not receptive to voluntary action in Canada because of their very different cultural backgrounds. For this reason, orientation programs for new citizens should include opportunities to learn skills associated with, and acquire an appreciation of, voluntary action in Canada. The framework for such orientation already exists. The extensive settlement-services program run by Manpower and Immigration now makes heavy use of voluntary associations. These associations should be sensitive to the particular backgrounds of their clientele and aware of how new Canadians can be assisted to relate to voluntary action in this country. Some may see voluntary action as a way of contributing to society; others may see it as a source of benefit to themselves. In order to sensitize immigrants to the possibilities of voluntary action in Canada, the Council wishes to recommend that:

- (71) THE GOVERNMENT OF CANADA DIRECT THE DEPARTMENT OF MANPOWER AND IMMIGRATION, OTHER DEPARTMENTS AND COOPERATING AGENCIES WORKING WITH NEW CANADIANS TO INCLUDE IN THEIR ORIENTATION EFFORTS PROGRAMS ACQUAINTING NEW CANADIANS WITH RESOURCES AVAILABLE IN VOLUNTARY ACTION.

In addition, the Department of Manpower and Immigration, in its consultations with voluntary associations, should make them more aware of the needs of immigrants. It is not just the immigrants who should adapt to Canadian voluntary associations; the voluntary associations themselves should become much more responsive to the needs of new Canadians. The department might also consider rendering resources available to voluntary associations so that they can adapt their ways to the concerns, interests and needs of immigrants.

(e) The Unemployed and Voluntary Action

Government has recently proposed a new form of relationship between itself, voluntary associations and individual citizens. Under recently proposed legislation (Bill C-27), unemployment insurance claimants will be given the opportunity to participate while on claim in voluntary activities of social value and carefully tailored to the needs of the unemployed and of the communities.

This proposal introduces a new element into the relationship between government and voluntary action: the assumption that community activity is a work equivalent which provides cash entitlement. There is no hint in the proposal that all claimants must participate in such activity if they are to receive their benefits. Rather, their participation is voluntary and their entitlement to unemployment insurance will not be affected if they choose not to participate. In this sense, such a proposal is different from work for relief where individuals would often lose their public assistance if they did not take part in the projects.

Claimants who volunteer would be paid, where necessary, a supplement to their normal unemployment insurance benefit. Where a claimant's entitlement to such benefits would not be sufficient to support him for the duration of the project and through a job search period after its completion, his entitlement would last for six weeks beyond the period of his participation in that project. While participating in the program, claimants would also be assisted in preparing for their job searches through employment counselling and free time to attend actual job interviews.¹

This program has just been proposed, and its impact on voluntary activity is difficult to assess. There appears to have been very few consultations with representatives of voluntary associations about the direction this program should take. The development of this policy is in reality yet another example of government taking action in one area and possibly affecting voluntary action profoundly. This action illustrates the need for more consultations with the voluntary community and for a new awareness by government of the indirect ramifications of its policies for voluntary action.

(f) United Way Advisory Committee

In 1966, the Federal Government established a United Way Advisory Committee to assist United Ways in their efforts to raise money from government employees across Canada. The Committee is composed of senior officials from federal departments in Ottawa. A small permanent staff within the Department of Supply and Services provides guidance and assistance to the 48 United Ways in Canada with Federal Service Divisions intended to raise money from federal employees. The creation

¹ Unemployment Insurance Canada, Highlights and Information Papers on the Employment and Immigrant Reorganization Act (Ottawa: Manpower and Immigration, 1976), p. 15.

of this committee represents a significant contribution to the success of United Way campaigns. In 1976, some 286,000 government employees contributed \$3,132,904 to the United Way.

RECOGNITION

The granting by government of a charitable registration number, the disbursement of a grant and the provision of facilities or services are not just sought by voluntary associations as a means of support. They are also appreciated as a symbol of recognition by the government of the worth and credibility of a voluntary association. There are other special measures which the government could take as a means of bestowing recognition on voluntary associations.

(a) Publicity

Government might make some effort to publicize the value of voluntary action. Various suggestions in this area were made to the Council. One was to send leaflets promoting voluntary action with cheques emanating from the Department of National Health and Welfare; the existing "cheque-insert" -- whether through Family Allowances, Old Age Security or Canada Pension Plan -- has over 5,000,000 recipients across Canada. A request that such an approach be tried was originally made by the Canadian Committee on Volunteerism -- the national association for volunteer bureaus -- and was referred by Secretary of State Hugh Faulkner to the Council. The Council recommends that:

- (72) THE DEPARTMENTS OF THE SECRETARY OF STATE AND NATIONAL HEALTH AND WELFARE DEVELOP A LEAFLET PROMOTING VOLUNTARY ACTION, ALONG THE LINES FORMULATED IN THIS REPORT, FOR DISSEMINATION WITH SOCIAL SECURITY CHEQUES SOMETIME IN FISCAL YEAR 1977-78.

Such a leaflet could be developed and prepared by the Department of the Secretary of State for submission to the Information Directorate of National Health and Welfare.

Another suggestion was that the National Film Board produce a film on the role and importance of voluntary action in Canadian society. Certainly people not engaged in voluntary action could use an opportunity to catch up on the many new developments in voluntary action over the last 15 years. Thus, the Council wishes to recommend that:

- (73) THE DEPARTMENT OF THE SECRETARY OF STATE COMMISSION
THE NATIONAL FILM BOARD OF CANADA TO PRODUCE, IN
CONSULTATION WITH A COMMITTEE OF VOLUNTEERS, A FILM
WHICH WOULD PUBLICIZE THE SCOPE, DIVERSITY, ROLE AND
IMPORTANCE OF VOLUNTARY ACTION IN CANADA.

(b) Recognition in the Public Service

In a report published in 1969, the Royal Commission on the Status of Women recommended that voluntary activity be recognized as a source of experience relevant to public service decisions on hiring and promotion. It was felt that such an approach would improve job opportunities for women, because so many of them had been heavily involved in voluntary activity. The Royal Commission's recommendation was accepted, and applications for employment in the public service now ask the applicant to specify any voluntary work which may be relevant to his or her application.

The actual impact of this reform on employment opportunities has not been assessed. Ultimately, its effectiveness will depend upon the attitudes of government officials towards voluntary action and whether they are inclined to view voluntary action as a legitimate

qualification for a job.

(c) Medals, Awards and Other Forms of Recognition

Other forms of recognition by government of voluntary action include the bestowal of the Order of Canada for voluntary achievements, the issuance of special stamps commemorating such achievements, and conscious and explicit public mention of voluntary action by politicians and civil servants. Many of these moves are already taking place; much more could be done.

The Order of Canada, while it has been given to many deserving Canadians, has not been effectively utilized to recognize contributions at the level of the local community. Government should attach more importance to the level of "Member" of the Order of Canada which focuses on achievement at the community level. Government should also publicize much more vigorously all its awards for achievement in the area of community activities. Greater public recognition of community activities would be supportive of the voluntary community because most of its activities are oriented towards the local level.

One form of recognition of community activity is the Life-Style Award program recently announced by National Health and Welfare. This award honours volunteers who contribute outstandingly to the creation of healthful life-styles in their communities. Community organizations, national and provincial associations, municipal governments and local individuals can nominate persons in their area to receive a medallion and a certificate of recognition.

INFORMATION

In this report, the Council has emphasized again and again that its main concern is less with money or structures than people and relationships. The preparation and circulation of government information is vital to the relationship between government and people engaged in voluntary action.

(a) Access-to-Information Legislation

The Council believes the current debate about public access to government information is very timely. There is a fundamental need for a change of attitudes on the part of public servants and a clearly enunciated policy aimed at moving the system towards openness and away from secrecy.

Though the government's monopoly on information is indefensible, it is undeniable that certain categories of information should remain secret. These would include national security, defence, international affairs and those infringing on the privacy of the individual. Considerable information falling outside these categories remains secret because it has become customary to classify most government information. In fact, it has been estimated that over 80 per cent of government documents are classified.¹ Such a state of affairs is ironic, for as John Reid, former Parliamentary Secretary to the government House Leader, put it, "Ninety per cent of the government's internal information is motherhood".

This unnecessary secrecy may well further disrupt the relation-

¹ Tom Riley, "Access: Lifting the Veils of Secrecy", The Canadian Review, (February 1977), p. 14.

ship between the Federal Government and the Canadian people. As A. Boyd Ferris, president of the Canadian Bar Association has pointed out, "Freedom of information is essential to the trust relationship that should exist between the electorate and its government. We believe there is a growing lack of trust that is developing between the people of Canada and the government. This in turn has led to what can be termed a crisis of confidence".¹ The Council's consultations and research confirm this argument.

Access to governmental information by citizens is vital to the effective functioning of a democratic system. As Mr. Ferris emphasizes, "The veil of secrecy that surrounds government in this country interferes with the inherent rights of the individual in a democratic society."² If the individual does not know what his government is doing, he cannot vote intelligently, nor will he be able to make representations to government if its decisions are going to affect him. He will not even know that those decisions will affect him and his community, or whether they have even occurred. Such considerations are vital to voluntary associations which are usually the vehicles individuals use when they make representations to government.

There can be little doubt, then, about the need for improved public access to government information. The problem is how to ensure reasonable access. Ambiguous areas where the release of information might affect cabinet solidarity, national security, international affairs or the privacy of an individual will always exist. Thus, there

¹ A. Boyd Ferris, President of the Canadian Bar Association, in a statement, February 10, 1977, at the National Press Gallery in Ottawa.

² Loc. cit.

will be occasions when the government may be well within its rights not to release such information. Unfortunately, these areas of justifiable secrecy are so vague that they might be stretched to fit almost any contingency. For this reason, there will be a continuing need for a procedure by which citizens and voluntary associations can appeal public servants' decisions not to release information. Not to have such an appeal procedure would be to shut the door on governmental information at the same time as it swings open.

Several cabinet ministers have stated that citizens should appeal to the minister of the department in which an official has failed to release information. However, there are obvious limits to the effectiveness of this procedure.

A more desirable approach has been suggested by the Canadian Bar Association and numerous other groups concerned with the release of governmental information to the public. They have proposed that appeals of governmental decisions should be handled by the courts, as is now the case in the United States. Government officials reply that such an approach is incompatible with the Canadian system of parliamentary democracy and ministerial responsibility. It can be replied that interpretation of legislation by judges is a cornerstone of our common law tradition. In addition, as Peter Rock, a lawyer for Access -- a voluntary association advocating changes in this area -- pointed out at a symposium on this subject in November 1976, "The function of the courts in the interpretation of legislation is a pillar of Anglo-Saxon British democracy, which democratic principles have been adopted to date in Canada and the United States."¹ The Council concurs with this view.

¹ Riley, op.cit., p. 15.

Even with such an appeal procedure, government would still have the advantage of alone knowing what information it held. If someone can find out that government is holding a specific item of information, he can ask for it. Generally, though, he will not know that government does, in fact, have that item of information and will not even think to request it. The Council believes that the burden of proof that information should not be released must rest upon the government. It also suggests that the government be required by legislation to prepare indices of governmental information so that outsiders will have some chance of knowing what information should be available. Therefore, the Council follows the Canadian Bar Association in recommending that:

- (74) ACCESS-TO-INFORMATION LEGISLATION BE ENACTED BY THE PARLIAMENT OF CANADA CREATING A STATUTORY RIGHT OF PERSONS TO OBTAIN ACCESS TO INFORMATION HELD BY THE GOVERNMENT OR ITS AGENCIES, SUBJECT ONLY TO A LIST OF NARROWLY DEFINED EXCEPTIONS, WITH ANY REFUSAL TO PROVIDE SUCH INFORMATION AND ANY UNREASONABLE DELAY OR COSTS SUBJECT TO REVIEW AND ENFORCEMENT BY THE COURTS ON THE MERITS, WITH BURDEN OF PROOF ON THE GOVERNMENT.

The Council believes that similar legislation should be passed by all provincial governments.

(b) Collection of Information on Government Programs

The Council heard an extensive number of complaints that information on the relationships between government and voluntary associations was particularly difficult to secure. The relative autonomy of government departments has meant that information on this relationship has been scattered between different departments and different programs within a single department. Voluntary action has been such a minor governmental

concern that there is not even in departments a centre for the collection and dissemination of this information to assist voluntary action and voluntary associations.

The Council's own experience in obtaining information from government on its involvement with voluntary action was most instructive, as was explained in chapter 10. Government made no systematic effort to render information on government programs affecting voluntary action available to the Council. Rather, chance contacts and encounters with co-operative public servants became a major source of such information to the Council. It was largely in this way that the Council was informed about the work of a task force in the Department of the Secretary of State studying programs and procedures which would likely result in a substantial reorganization of the whole operation of the Department. This example becomes even more significant when one recalls that Secretary of State is the department to which the Council reports and has major responsibility for federal programs of support to voluntary action.

As noted in chapter 10, the Council also discovered that there were no uniform reporting procedures or commonly accepted definitions of granting activities or voluntary action for use in obtaining such hard data. Treasury Board did not act on the Cabinet directive to produce an annual report on federal support to voluntary associations and little has been done to resolve those issues, aside from the design and administration of the very broad survey of government departments by Secretary of State officials in late 1976. The Council therefore wishes to recommend that:

- (75) THE GOVERNMENT OF CANADA ENFORCE ITS DIRECTIVE TO TREASURY BOARD AND FEDERAL DEPARTMENTS AND AGENCIES TO COLLECT, COLLABORATE, PUBLISH AND DISSEMINATE DATA ON THE STATE OF FEDERAL FINANCIAL SUPPORT TO VOLUNTARY ACTION ACROSS CANADA IN THE FORM OF ANNUAL REPORTS TO ALL

DEPARTMENTS AND THE PUBLIC UPON REQUEST.

(c) Measurement of Volunteers' Contributions

Another problem is that of developing adequate tools to measure the contributions of volunteers across Canada. The Council believes that the Federal Government has, particularly in Statistics Canada, the resources to develop and utilize such tools. For this reason, the Council wishes to recommend that:

- (76) STATISTICS CANADA INCLUDE QUESTIONS ON VOLUNTARY ACTIVITY BY INDIVIDUALS IN ITS 1981 CENSUS AND IN ITS CONSUMER FINANCE AND LABOUR FORCE SURVEYS.

(d) Publicizing of Government Programs

A more efficient information-collection system within the government constitutes only a partial solution to the problems in this area. It is equally important that this information be made available to voluntary associations in the form which will be most useful to them.

Certainly, the people engaged in voluntary action need information on the government programs and policies which affect them. This information can be quite general; for example, voluntary associations may need to know where they can go for assistance, given their own programs and objectives. At other times, their information needs may be quite precise. They may have specific questions requiring equally specific answers -- such as, for example, the precise criteria for charitable registration.

There have been several attempts by government to assemble comprehensive directories of grants programs. These include the

Directory of Federal Funding Sources Available to Citizens Organizations brought out by the Department of the Secretary of State in 1974, and A Compendium of Financial Assistance Programs of the Federal and Provincial Governments published by the Department of Indian Affairs and Northern Development in 1975.

Unfortunately, such efforts, however well intended, are not always very useful. Generally, they are only published once or twice after years of preparation and then discontinued because insufficient resources are allocated for their continual updating and publication. Delays in publication also frequently mean that such directories are outdated as soon as they do appear. If they do come out on time, the information they contain is often too sketchy to be really useful -- except to identify the existence of a program.

Computerization of the updating process would constitute one means of improving the quality of these directories. However, the real problem is that government agencies do not allocate sufficient resources to permit the creation of really useful, continually updated directories. Perhaps this failure is a reflection of government's generally ambivalent attitude towards the release of information. Whatever the reason, it is inexcusable that government should set up programs providing assistance to voluntary associations and not allocate sufficient resources to let the public know such programs exist. For this reason, the Council wishes to recommend that:

- (77) THE GOVERNMENT OF CANADA DIRECT EVERY DEPARTMENT AND AGENCY WITH PROGRAMS OF ASSISTANCE FOR VOLUNTARY ASSOCIATIONS TO ALLOCATE SUFFICIENT RESOURCES AND PERSONNEL FOR THE PREPARATION AND ANNUAL UPDATING OF DIRECTORIES OR ALTERNATIVE INFORMATION VEHICLES IDENTIFYING THESE PROGRAMS.

In such directories, each program should be identified in terms of its goals and objectives, the amount of assistance available, the type and size of the funds (if any) it dispenses, funding criteria, the terms and conditions for such funds, the type of evaluation which would be mandatory and the area of activity which it supports.

One outcome of this recommendation would be a proliferation of directories throughout government. There would in all probability be no central point at which voluntary associations could secure these directories. In chapter 14, the Council will be suggesting how such a central focal point could be created.

CONCLUSION

It is clear from the analysis in the last three chapters that there is much more the Federal Government could do to improve the environment for voluntary action. The area of non-financial assistance is fundamentally important in this respect. By providing more aid-in-kind, by training its staff to understand and respond to the needs of those engaged in voluntary action, by recognizing the value of voluntary activity, and by releasing more information, the Federal Government could transform the environment for voluntary action in Canada. However, there are hardly any indications that the Federal Government attaches sufficient importance to voluntary action to move in this direction. Given the governmental tendency to plan policies directed at other areas but which have unplanned detrimental consequences for voluntary action, it can be seen that voluntary action is quite low in the federal list of priorities. The lack of any mechanism for monitoring the effects of all its policies on voluntary action -- when such mechanisms exist in the case of business and labour -- clearly demonstrates the general lack of concern in the Federal Government about creating a favourable environment for

voluntary action.

For these reasons, the Council purposely did not raise or attempt to answer the question whether more money should be provided by government to those engaged in voluntary action. In chapter 10, the Council has stated clearly that certain voluntary activities and voluntary associations need some level of financial assistance. However, the general question cannot be answered in any confident fashion until the vast multiplicity of factors mentioned in the preceding chapters are thoroughly explored and understood, both alone and in their interaction.

At the present time, these factors fluctuate widely because government appears to be so little concerned about voluntary action that the unintended and unforeseen repercussions of its policies affect these factors enormously. In other words, until voluntary action becomes a sufficiently important priority of government that the effects of government policies on voluntary action are carefully monitored, it will be impossible to state whether voluntary action as a whole needs more money. Thus, the relationships between government and those engaged in voluntary action must become normal and mutually beneficial to a far greater degree before any overall assessment can be made of the financial needs of voluntary action. It may be that special tax concessions to stimulate the flow of private funds to voluntary action may reduce the need for direct federal funding. On the other hand, the opposite may well be true.

The creation of a better climate for voluntary action cannot be an unilateral act of government. The people engaged in voluntary action must be consulted closely by government on such a matter before its decisions can be made. The outcome of such an act will have a profound effect on their lives and communities, and it is they who understand best the character and needs of voluntary action. If government acts alone, it may well disrupt even further the relationships between

itself and those engaged in voluntary action. Conversely, if such consultations are genuine and far-reaching, they could form the basis for a new and mutually beneficial relationship.

Chapter 13

Consultation

GENERAL PERSPECTIVES

In the first 12 chapters of this report, the Council emphasized repeatedly the need to create a new and better environment for voluntary action. Coupled with this was an awareness that most Canadians want to participate in and influence decisions affecting them and their communities. These desires for involvement are understandable. After all, consultation -- in its broadest sense -- remains the best method of ensuring that the democratic process in Canada acquires a new and necessary vitality. Indeed, in many ways, consultation is the democratic process. This notion is by no means new or particularly innovative. It is, however, the best hope for a strong and healthy democratic system in Canada.

In theory, it would seem simple to ensure that the people are consulted. In practice, the problem is more difficult. Through its own consultations, research and personal experiences of its members, the Council discovered that there were several reasons why consultations can be ineffective. Existing procedures for consultation have been less than successful, usually because government officials have been less than fully committed to the idea or have not carried them out competently. It is ironic, then, that government officials say they will not consult with the public because they have tried consultations and they did not work.

The complexity of bureaucratic structures also leaves many citizens little idea of where, when, how and upon whom they can exercise influence in the area of policy formulation. Too often in the recent past, programs have been developed before citizens were even aware of their existence.

Often, government permitted only illusory opportunities for consultation, involving a kind of "consultation for consultation's sake" and not a serious effort to let the public participate in important decisions. In other words, volunteers were often asked to comment on policies which were to be translated into programs and legislation, but then, either advertently or inadvertently, it became apparent to the participants that these comments would have no effect on that policy and legislation had already been formulated. Such revelations usually occurred because of slips of the tongue or when defensive officials took to justifying the correctness of their motives, the propriety of their procedures and the acceptability of their approach. In short, there is good reason in many instances to question the seriousness of government when it provides opportunities for consultation.

It is not surprising, then, that the Council was told repeatedly that consultations are riddled with tokenism. In fact, many believe that government consults only those people who have good contacts in Ottawa (a sort of inner circle of people whom officials know and who know the officials) or those who attract officials' attention through outlandish actions. These observers would argue that, in present circumstances, consultation is just mutual manipulation.

Others stated that opportunities to participate in consultations are also unequally distributed. The process and mechanisms used now and in the past are often geared to large associations and well established organizations with considerable resources and expertise. Local associations or smaller, less formal groups with fewer resources have a more

difficult time being heard. Often, only those associations which have an office in central Canada, have attracted nationwide attention or possess personal contacts with bureaucrats and politicians are asked to consult. It is questionable whether consultation and participation can be effective if they are the privilege of only a few citizen volunteers or voluntary associations.

The Council discovered that all too many bureaucrats and politicians saw consultations as a source of delay in policy formulation or even an unnecessary obstacle to the smooth flow of policy development. In addition, the competition and turnover within the government itself frequently inhibited the types of relationships which are necessary to fruitful consultation. In such circumstances, even genuine efforts at consultation are doomed to failure, and these failures further disillusion and demoralize those who are requesting more participation.

It has already been pointed out that lobbying is a recognized -- and useful -- way of dealing with government. In the present climate, however, lobbying generates destructive competition between different segments of society involved in voluntary activity or citizen participation. If a group has not been involved in the development of a policy -- however effective the policy may be -- that group will suspect that the policy is favouring other groups at its own expense. Out of this climate emerges a new competitiveness for government attention. The acquisition of grants and influence at the expense of others becomes the prevailing obsession. Unfortunately then, lobbying tends to pit groups and organizations against each other. In this atmosphere, they do not have the opportunity to acquire an understanding and respect for their differences, or recognize that what benefits one association may be of benefit to others. There is a need for a new climate of collaboration in which voluntary associations can come to recognize that their resources, viewed collectively, benefit every aspect of Canadian life.

The present climate of excessive competition also tends to generate a certain cynicism among voluntary associations about consultations with government. However, it should also be noted that voluntary associations do not always live up to their own responsibilities. They sometimes fail to research and document properly their submissions, or even canvass their memberships. All of these steps are necessary if an association expects to put forward a philosophy, approach, policy or program which will reflect its own concerns and be seriously considered by government.

Though there may be drawbacks to consultations, no amount of technical skill or expertise can replace them effectively. At Frobisher Bay, N.W.T., this point was made very effectively. It was stated to some Council members that programs alien to the district -- however well planned, well funded and well administered -- are doomed to failure if their objectives are inappropriate to the communities affected by the programs.

Generally, government programs are neither ill-conceived nor recklessly administered. If they fail, it is because the citizens affected by these programs were excluded from the process of policy formulation. In other words, citizens may reject a program out of hand because it and its alternative have not been sufficiently explained to them.

CONSULTATION METHODS AND PROCEDURES

No one method of consultation works well in all situations. Conferences, meetings, hearings, task forces, advisory councils of all types and other mechanisms should all be used in the appropriate circumstances. The Council does not believe that there is any such thing as a

perfect consultative mechanism. Newer and better options need to be constantly envisaged, defined, refined and acted on by every segment of Canadian society. Each such option will have both strengths and weaknesses and a limited period of usefulness.

The root cause of the weaknesses in these techniques of consultation in the past lies in the lack of any real commitment to the process and the lack of any comprehensive understanding of the ways to carry out effective consultations. As a result, many consultations have been, from their inception to their conclusion, unsatisfactory to all concerned.

It can be seen, then, that there is a real need for government to develop a policy applicable to all departments for the effective involvement of volunteers in discussions of problems, issues, crises, draft policies, program proposals and a host of other matters. Therefore the Council recommends that:

(78) GOVERNMENT IN ITS CONSULTATIONS ENSURE THAT EACH AND EVERY ONE OF THE FOLLOWING STEPS IS PUT INTO PRACTICE:

(a) THE SUBJECT MATTER TO BE ADDRESSED IN THE CONSULTATION MUST BE CLEARLY AND PRECISELY DEFINED;

All too often in the past, government has used broad generalities to describe the issue around which consultations should occur. The result can be that the consultations bog down in generalities and thus are quite useless in assisting government to formulate policies. In effect, the framework for the consultation is often so general that those consulted are unable to focus on concrete relevant problems.

- (b) THOSE PERSONS WHO WILL BE AFFECTED BY THE MATTER UNDER CONSIDERATION MUST BE IDENTIFIED ACCURATELY AND SYSTEMATICALLY AND ALL INFORMATION ON THE SUBJECT MATTER MUST BE DISTRIBUTED TO THEM;

In many instances, government resorts to last minute efforts to identify and contact the people affected by the subject of the consultation. Its communication with them is haphazard. All of these problems hamper the effectiveness of consultations. Thus, there is clearly a need for government to develop procedures for the identification of the people to be consulted and for the dissemination of necessary information to these people.

- (c) THE GOALS AND TERMS OF REFERENCE OF THE CONSULTATION MUST BE CLEARLY AND EXPLICITLY STATED;

In the past, terms of reference for consultations have frequently been vague, with the result that the people involved in them are left confused and frustrated by the whole experience. Thus, within these terms of reference, government should define, not only the relationship between the people consulted and government, but also what is expected from the consultation. Explicit terms of reference should also ensure that those consulted know who else is involved in the consultation and thus can measure their influence upon the final policy outcome. They may also come to understand the variety of interests affected by any single policy and perhaps become more sympathetic about the need for compromise. Such detailed terms of reference will also assist government officials in acquiring an understanding of the diverse interests affected by any policy.

- (d) THE PEOPLE CONSULTED MUST BE KEPT INFORMED OF DEVELOPMENTS DURING AND AFTER THE CONSULTATION PROCESS;
- (e) THE PEOPLE CONSULTED MUST BE PROVIDED WITH A REASON-ABLE EXPLANATION WHY GOVERNMENT CHOSE A PARTICULAR POLICY ALTERNATIVE;

These two steps are of fundamental importance and many consultations break down because they are ignored or poorly carried out. If they are followed, then the people consulted will not, as is often the case at the present time, be left wondering at the conclusion of the consultation what happened to their advice. All too often, they only see the final policy resulting from the consultations. If their advice is not accepted, they usually have no way of knowing whether its rejection occurred because they were a minority interest, were in conflict with a dominant national interest, or offered advice which was viewed as unfeasible or unreasonable. Government should explain why it has decided upon a particular policy and rejected all other alternatives. A reasonable explanation might also allay much of the bad feeling which arises when advice is rejected.

There is one pervasive misconception about consultations which the Council believes must be dispelled. Government officials often feel that asking for advice means that such advice must be accepted. Citizens often have similar expectations about consultations. Both are wrong.

If this policy is followed through all of its successive steps, it is probable that most of these unrealistic expectations now hampering consultations would disappear. All involved would have a clear understanding of the strengths and limitations of the method of consultation

employed. Neither would believe that the advice given during a consultation was the final word on the matter under debate. Most important of all, citizens would begin to feel that their representations were viewed by government as a valuable input and not a regrettable necessity occasioned by a need to give an appearance of public involvement.

An effective approach in this area would be of enormous assistance to government because consultations, if used properly, can precipitate useful exchanges of information and opinions. They can help a government to test the mood of the country, attitudes towards specific policies and the possible public response to new public options. This plumbing of popular opinion can also reveal to government solutions to specific problems and the room for compromise on many issues. They can also help both government and citizens to build up a national network of contacts within a given field or between different areas of endeavour and interests. Finally, they can constitute an effective means for launching new programs by permitting citizens to become involved at the early stages of policy formulation and thus acquire an understanding of its purpose and the need which justifies the policy.

This dialogue between citizens is almost as valuable as the input to government resulting from consultations. Through their involvement with different groups in consultations, citizens come to appreciate and respect views and interests distinct from their own. In this sense, there is enormous potential for social integration in the frank dialogue between citizens which is such a fundamental part of consultations.

EFFECTIVE CONSULTATIONS AND THE NATIONAL QUESTION

In this discussion of consultations, the Council has been suggesting means by which government could create a social climate conducive to a much broader and more intense involvement by Canadians in the matters which affect them and their communities. Such involvement should ultimately reach beyond any single community of interest and into other communities so that Canadians will truly realize that cultural, linguistic, regional and social differences only enrich their solidarity as human beings sharing in a unique national adventure. Through such frank dialogue, it is conceivable that Canadians could arrive at a much more profound understanding of the national identity they share and finally finish shaping "the new nationality" for which D'Arcy McGee called more than 100 years ago.

In short, effective consultations, insofar as they contribute to sensitive policy-making and a healthy voluntary community, could well render a significant contribution to national unity. An improved environment for such involvement will also assist parliamentarians because they will have a clearer perception of their constituents' interests and of the process of policy formulation within the bureaucracy. In addition, more opportunities for consultations will encourage citizens to become involved in solving their own problems.

Thus, in the final analysis, the Council is calling for a genuine revitalization of the democratic process in Canada, and an end to the present feeling -- even within Parliament -- that much of democratic politics is an irrelevant game because the real decisions are made elsewhere. The alternative to revitalization and meaningful involvement in Canada is growing isolationism or regionalization and the exclusive pursuit of narrow personal ends among the public at large.

However, neither government nor citizens should regard consultations as a panacea for the many complex problems facing Canadian society. As Judith Maxwell, Director of Economic Policy Analysis for the C.D. Howe Research Institute, has pointed out, "The problems are too complex to be solved through the consultation process. Consultation can only provide the sense of direction. The problems themselves must be solved by each group being accountable for its own actions and attempting to find its own solutions."¹

¹ Globe and Mail, February 5, 1977.

Chapter 14

Beyond Consultations

ADVISORY COUNCILS

The National Advisory Council on Voluntary Action was composed of citizens and its mandate was to examine how citizens relate to government. As the first body created to study this issue in all its scope and complexity, the Council's own experience with government should be particularly illustrative and merits special consideration.

Advisory councils in general are viewed as a means of allowing participation in the formulation of government policies and programs by individuals from outside government, either as citizens at large or persons with special knowledge and experience in a particular area of concern. Members of such councils are expected to function on their own initiative and, though often affiliated with a particular association, are not expected to be dependent upon its instructions. The mandates of these councils, their terms of reference and their general interaction with government are crucially important to their effectiveness.

Comments by government officials and a number of government documents from the period before the Advisory Council's creation revealed much about governmental perceptions of and expectations for this Council. Each Council activity and phase of its task revealed even more to the Council about the problems inherent in the advisory council mechanism as it is now utilized.

The Council, because of this experience, feels able, with a view to being as helpful and practical as possible, to make the following suggestions for improvements in the relationships between advisory councils and the government which appoints them:

- (a) Government should set up an advisory council only when there is a clear need to formulate new policy and the government is fully committed to obtaining views on that policy from the members of that council.
- (b) The mandate of a council should also be sufficiently precise that its members know exactly the dimensions of their task. In addition, the duration of a council, its relationship to government at all levels, and the details of council organization and operations should be well thought out and planned ahead of time.
- (c) When all of these areas have been defined precisely by government, they should be fully explained to all potential council members. Only with such information will the members be able to define their own positions. If a council mandate or any of the terms and conditions under which a council must operate are unacceptable, then potential members should refuse to sit on it. Given the challenging tasks faced by most advisory councils, their members should not be uncertain or ambivalent about their position on the council. They also should not have to waste precious time figuring out their terms of reference and the conditions under which they will be operating.
- (d) There is also a need for government to be deliberate and systematic about whom it appoints to sit on such councils. As a general rule, the composition of a council should be determined by the purpose which that council is intended to serve. Public servants should only be asked to sit on such councils if their

participation is needed to examine internal structures and operations of government. If government is setting up a council to acquire an in-depth understanding of a particular segment of public opinion on a matter of governmental concern, then government should appoint citizens who represent those views, and not governmental officials. In selecting such citizens, government should also take the time to ensure that these citizens are, in fact, representative of the viewpoints about the subject matter in which government is interested. Every effort should be made to go beyond the usual available lists of names.

- (e) Councils with mandates limited as to time -- that is, to two years or less -- should not be considered as simply an ongoing government program. If an outright grant is made available to a council, the required administrative and accountability procedures should be worked out and explained to members. If a council is to operate within government, then its mode of operation should be carefully developed, defined on paper and submitted to its members. No council should have to discover by accident or through necessity what these operating rules are for such matters as financial expenditures, purchasing, contracting out for research, and other administrative concerns.

If a council does not receive an outright grant and has to operate within government, the necessary administrative mechanisms should all be in place when council members are appointed, or at the very least a period for organization of their activities should be permitted. The whole area of staffing is especially crucial. In fact, a council should have its own secretariat and be able to find, select, hire and direct its staff in the most effective way possible. Neither council members nor their staff should be viewed as civil servants who must fit into existing structures and implement

existing procedures. Public service criteria and procedures should also not be applied automatically to the finding and hiring of staff.

Ideally, a council should also be provided with its own research resources and facilities or the money to purchase them. If the department cannot surrender such control, then it is vital that a council be given special access to contractual or departmental resources for this purpose.

- (f) The reimbursement of council members should depend upon the structure of a council and the type of activities for which it is responsible. If these activities are such that council members need only meet occasionally to exercise their responsibilities or provide expertise, then government should only reimburse them for their expenses, including lost wages. However, if a council member has to spend extensive periods of time on council activities, then he or she should be paid an acceptable per diem rate.
- (g) Once a council has commenced its activities, the government should ensure that the council has convenient access to government information relevant to its mandate. The question of how information is obtained and used should be the council's decision. If government will not permit a council to determine the independence of its position, the whole exercise is likely to be worthless. In other words, council members alone should be responsible for determining the extent to which their own positions and advice run counter to or support government thinking and policies.
- (h) After a council has completed its deliberations, its advice, proposals and recommendations should, in the form in which they were prepared, reach the minister responsible for the council and his key advisors. If the recommendations of a council are not accepted,

government also has an obligation to communicate a reasonable explanation for this decision. Ideally, the forum for such explanations should be open discussions with the minister who appointed the council. Finally, whatever the fate of its recommendations, a council should generally have a right to publish its study or communicate its findings in some form to the public.

VOLUNTARY ACTION RESOURCE CENTRE

Voluntary action and its relationships with government continually change, as do the programs and priorities of the different departments. For these reasons, there is always a need for voluntary action to have a strong presence at the federal level so that government policies and programs can be continually updated. The Council has attempted to illuminate the way to create better relationships between the voluntary community and government. In particular, government must, in this crucial period, explore and attempt to understand the dynamics of citizen participation in voluntary action. More study, research and discussions will also be needed to flesh out the recommendations made by the Council.

One of the Council's central recommendations in Chapter 10 was that government should develop a set of principles or guidelines to govern its funding relationships with those engaged in voluntary action. Other recommendations in this report provide a launching pad in this endeavour. However, if these guidelines are to be useful, they must be based on solid information about voluntary action and government funding programs. At the present time, this information is scattered between different departments and agencies, and there is a real need to continue the Council's efforts of gathering such information at a central point. The Council ran out of time just as it began elaborating

upon the answers to the crucial questions about the relationships between government and citizens engaged in voluntary action. A central resource is needed to gather more information and carry on the Council's analyses towards an in-depth examination and assessment of this material.

In addition, the multitudes of new governmental programs of support for voluntary action have only added to the confusion of the government in this area. Informal links between departments to deal with voluntary associations eligible for support from two, three or even four departments often emerge haphazardly through personal contacts. As noted in chapter 12, government itself is unable to assemble on a regular basis any comprehensive picture of its support for voluntary action. There are no systematic mechanisms for sharing information between departments. Each department has its own reporting procedure and evaluation techniques, with the result that much of the information gathered is not compatible with that collected by other departments. No systematic attempt has ever been made, file by file, department by department, to gather and analyze this information.¹

The diversity of voluntary action also tends to render it difficult for government to undertake a comprehensive and coherent overview of voluntary concerns, and thus to assess the overall impact of governmental programs on the voluntary community. The need for this work of review and assessment is paramount, however, and it must be carried out at regular intervals.

¹ The efforts of the Interdepartmental Committee on Financial Assistance to Voluntary Organizations and those of the Department of the Secretary of State to gather from other departments information on their financial support to voluntary action produced an approximate idea of the magnitude of government financial support for voluntary action but offered little indication about how the funds were actually disbursed.

The usual forms of consultation -- conferences, seminars, advisory councils and position papers -- though useful, are also too limited to give citizens sufficient influence on new approaches to policy in this area. Rarely do voluntary participants in these consultations have the time to acquire any coherent overview of the complex, multi-dimensional relations between government and voluntary action. Thus, the information and views provided by volunteers will give only rough indications to government about how to establish general guidelines for its relationships with voluntary action. This situation underlines the need for a continuing and unifying voluntary presence at the federal level to provide continually updated information statistics and perspectives as a sound basis for better policies in this area. Such a central presence would complement and help integrate the information and perspectives acquired during consultations.

The lack of information in a useful form also poses more immediate problems to volunteers and voluntary associations. Ottawa is a bewildering maze to many voluntary associations seeking federal support for their activities. Large organizations with good contacts are much better able to get government support than smaller ones. Similarly, few voluntary associations are able to keep track of the wide variety of new developments in voluntary action and thus are often less responsive to their members and constituencies than they might otherwise be. Again, it would seem that there is a clear need for a point of contact and source of information on voluntary action and federal programs of support which would be useful to both government and voluntary action.

A continuing role of such a central point of contact should be to evaluate and assist government in its efforts to meet the needs of those engaged in voluntary action. Over the long term, such a body would be able to acquire sufficient expertise in government-support programs and voluntary action to provide in-depth, coherent assessments of programs and the general relationship between government and the

voluntary community. For this reason, open and far-reaching consultations with such a body would be extremely beneficial to government when evaluating its existing programs and/or formulating new ones in this area.

The Council's consultations and research also indicate that this body should be close to government while maintaining a substantial degree of independence. Volunteers and voluntary associations would want their own concerns to be reflected in the operation of such a body and not just those of government. In short, for such a body to be effective, it must be seen by citizens as their own. Equally important, government officials have to be assured that such a body would be knowledgeable -- that is, in touch with voluntary action and up-to-date in its information on government programs -- if these officials are to use and support it.

Some departments have already started taking useful steps to improve their relationships with voluntary associations undertaking activities related to specific departmental mandates. However, voluntary action has, generally, been a matter of fairly low priority within the Federal Government as a whole. For this reason, if voluntary action is to receive the attention it deserves, it would be best for such a body to report to a prominent and central governmental agency -- at least for the short term. The mandate of the Privy Council Office is to provide support services for Cabinet and to co-ordinate policy-making. It is above any special interest or concern within or outside government. There is a need now for support of voluntary action on a broad front across the government, and the Privy Council Office is the most logical location to commence this process. The Council therefore recommends that:

(79) THE GOVERNMENT OF CANADA PROVIDE, IN FISCAL YEAR 1977/78, FUNDS FOR THE ESTABLISHMENT OF A VOLUNTARY ACTION RESOURCE CENTRE WHICH WOULD REPORT TO THE PRIVY COUNCIL OFFICE AND WHICH WOULD HAVE THE FOLLOWING FUNCTIONS:

- (a) THE ENCOURAGEMENT OF GOVERNMENT AS A WHOLE TO DEVELOP AND IMPROVE PROGRAMS OF SUPPORT FOR VOLUNTARY ACTION AND CONSULTATIVE MECHANISMS;
- (b) THE MONITORING OF GOVERNMENTAL IMPLEMENTATION OF THE RECOMMENDATIONS MADE IN THE REPORT OF THE NATIONAL ADVISORY COUNCIL ON VOLUNTARY ACTION;
- (c) THE DISCUSSION AND PROPOSAL OF PROGRAMS WITHIN THE FEDERAL GOVERNMENT TO ENSURE GREATER RESPONSIVENESS IN GOVERNMENT TO THOSE ENGAGED IN VOLUNTARY ACTION;
- (d) THE INVENTORY OF GOVERNMENT PROGRAMS OF ASSISTANCE TO VOLUNTARY ACTION;
- (e) THE FACILITATION OF THE EXCHANGE OF INFORMATION ON VOLUNTARY ACTION WITHIN THE FEDERAL GOVERNMENT;
- (f) THE PROMOTION OF CO-OPERATION AND THE EXCHANGE OF INFORMATION BETWEEN GOVERNMENT AND VOLUNTARY ACTION;
- (g) THE PROVISION OF INFORMATION ABOUT GOVERNMENTAL PROGRAMS AND CONSULTATIVE MECHANISMS TO PARTICULAR VOLUNTARY ASSOCIATIONS UPON REQUEST;
- (h) THE ENHANCEMENT OF THE AWARENESS OF VOLUNTARY ASSOCIATIONS ACROSS CANADA OF GOVERNMENTAL PROGRAMS OF SUPPORT AND CONSULTATIVE MECHANISMS;
AND
- (i) THE PROMOTION OF CO-OPERATION AND EXCHANGES OF

INFORMATION AMONG THOSE ENGAGED IN VOLUNTARY ACTION
ACROSS CANADA.

The Council sees the Centre as an information and referral centre and also as a resource to assist government in formulating proposals in the area of voluntary action.

If the Centre is to maintain an independent stance in its informational and consultative activities, it would have to be as much an agency of the voluntary community as of government. Ideally, the composition of the governing body of the Centre should reflect a constructive partnership between government and the voluntary community. The Council therefore recommends that:

- (80) THE GOVERNMENT OF CANADA ESTABLISH A VOLUNTARY ACTION COMMITTEE OF NINE MEMBERS DURING FISCAL YEAR 1977/78, TWO-THIRDS OF WHOM WOULD REPRESENT VOLUNTARY ACTION AND ONE-THIRD OF WHOM WOULD BE SENIOR OFFICIALS FROM FEDERAL DEPARTMENTS WITH PROGRAMS OF SUPPORT FOR VOLUNTARY ACTION. THE COMMITTEE WOULD:
 - (a) REVIEW THE REPORT OF THE NATIONAL ADVISORY COUNCIL ON VOLUNTARY ACTION, STUDY AND CONSULT WITH GOVERNMENT ABOUT HOW THESE RECOMMENDATIONS COULD BEST BE IMPLEMENTED, AND PURSUE THE STUDIES INITIATED BY THE COUNCIL;
 - (b) ESTABLISH, DIRECT, AND MONITOR THE PROGRAM OF THE CENTRE;
 - (c) DIRECT THE INTERNAL BUDGET OF THE CENTRE;
 - (d) DIRECT THE HIRING OF STAFF THROUGH A SUB-COMMITTEE COMPOSED OF BOTH GOVERNMENTAL AND NON-GOVERNMENTAL MEMBERS OF THE COMMITTEE;

- (e) MEET AS NEEDED TO DEVELOP POLICIES FOR THE CENTRE,
TO ADVISE GOVERNMENT AND TO CONSULT WITH CITIZENS
AND REPRESENTATIVES OF GOVERNMENT; AND
- (f) REPORT ONCE A YEAR TO THE GOVERNMENT AND TO THE
PUBLIC ON THE STATE OF RELATIONSHIPS BETWEEN
THE GOVERNMENT AND VOLUNTARY ACTION.

One major responsibility of the Voluntary Action Committee will be to establish, and ensure the effective functioning of, the Centre. Together the Centre and its Committee should try to generate improved relationships between government and the voluntary community. In order to carry out this responsibility, the Committee will embark on further research, examine the feasibility of the Council's recommendations, consult with government on the implementation of these recommendations and on other government activities affecting voluntary action. As for the Centre, it will be expected to monitor the implementation of the Council's recommendations and governmental policies affecting voluntary action.

Given that the full task of collecting and analyzing information still has to be done, the Centre and its Committee neither can nor should bring about the full implementation by government of all the Council's recommendations. Neither can they guarantee an improvement in the relations between the government and the voluntary community. In the final analysis, both these tasks are the responsibility of government. If the tasks are to be finished properly, there will have to be a genuine commitment by government and then specific action by various departments and agencies.

Equally important, neither the Centre nor its Committee should be regarded as the only intermediary between government and the voluntary community. Rather, the role of these bodies must be to complement and

enhance present relationships between government and Canadians engaged in voluntary action. The Centre should be a valuable source of information and advice to voluntary associations dealing with government, whether these are searching for federal support or information, or wish to consult with government.

Usually, when government receives a report like that of the Council, government appoints a working group of officials in order to assess findings and recommendations. The Council suggests that government include people involved in voluntary action in the very early stages of studying the report and particularly in discussing the Centre and the Committee. To this end, a small task force of officials and volunteers should be set up in the very near future. It could, then, draw up a list of initial committee members and begin the process of setting up the Centre as a useful departure point for analysis of the Council's report and recommendations. Such an approach would help offset the limitations placed on the Council's efforts by its lack of time and resources for an in-depth analysis.

In fact, government, the Committee and the Centre should attempt to carry forward the task commenced by the Council. For example, the Council was able to gather considerable information on the amounts in aggregate terms of federal money provided to support voluntary action. However, further in-depth analysis of the nature and scope of this support is still needed. In particular, it is vital that there be detailed analysis of the fields of voluntary activity and the types of voluntary associations which receive support from the federal government.

Some of the Council's background studies also raise interesting questions which should be explored further. For example, André Beaudoin in his study analyzed the relationship between voluntary action and major developments in Quebec since the turn of the century.¹ His study

¹ André Beaudoin, L'action volontaire et la société québécoise du XXIème siècle, Background study prepared for the National Advisory Council on Voluntary Action, 1977.

raises broad historical and sociological issues which require further analysis. The Council received this study too late to consider fully the questions it raises. However, both in terms of the applicability of its methodology to other groups in other historical periods and in terms of the questions it raises about the future direction of Quebec society, Beaudoin's study deserves careful analysis.

The task force being suggested should not make the mistake of undertaking the clearly impossible task of ensuring that every type of voluntary activity is represented on the Committee. In fact, even a committee of 200 members could not satisfy the many diverse interests and concerns within the voluntary community. On the other hand, Committee members should be regularly rotated in such a manner as to ensure that different regional interests and fields of voluntary activity can be involved at one time or another in the deliberations of the Committee. Rotation would also ensure that a larger sample of departments and agencies relating to voluntary activity are involved in committee deliberations.

The budget for the Centre and its Committee should, in their first years, be \$300,000 or more per annum. This estimate is based on the Council's own experience and its recognition of the limitations placed on its accomplishments by limited resources allocated by government.

With regard to the information function, the Council strongly suggests that the Centre computerize its information on government programs for easy access and updating. The Council does not see the Centre, however, as a source of information on all the grants for which a particular voluntary association would be eligible. Rather, it would serve more as a guide through the governmental labyrinth. The nucleus of an information base for the Centre was created within the secretariat to the National Advisory Council on Voluntary Action and was in operation from late 1975 until May 1977.

Within a few years, the roles of the Centre and Committee should be evaluated. The following questions, among others, should be asked: Has government or the voluntary community benefited most from the operations of these two bodies? Have effective relationships been created with federal departments? Are existing networks of information in the provinces and local communities being tapped? Are volunteers and voluntary associations looking on the Centre as their own resource and do they expect even greater assistance? What adjustments are needed in the operations of the Centre and the Committee? The Council therefore recommends that:

- (81) WITHIN THREE YEARS OF THE ESTABLISHMENT OF A VOLUNTARY ACTION RESOURCE CENTRE OF CANADA, THE FEDERAL GOVERNMENT, IN CONJUNCTION WITH REPRESENTATIVES OF VOLUNTARY ACTION, EVALUATE THE CENTRE WITH A VIEW TO DEFINING ITS FUTURE ROLE.

CONCLUSION

If a government wishes to improve its relationships with the voluntary community, government will have to do much more than tinker with and increase the number of existing consultative mechanisms. It must come to appreciate the vital role which voluntary action plays in Canadian society and its own real need to develop special relationships with the people engaged in voluntary action. In particular, it must learn to work more effectively with advisory councils. In addition, government must create a central focus for voluntary action at the federal level and give this body the means to do its job effectively. Action on the Council recommendations for the Centre and its Committee would, in fact, provide the framework for a significant improvement in the relationships between the Federal Government and the voluntary community.

Chapter 15

Towards a More Effective Relationship

For some time, Canadians have been conveying to government observations similar to those of the Council with respect to the inadequacy of existing channels for participation by citizens in decisions affecting them and their communities. The Council is optimistic, however, that within the Federal Government there is a genuine desire to commence effective and sincere collaboration with the many Canadians involved in voluntary action.

The Council also discovered that Canadians are generally far from apathetic about the issues confronting their communities and Canada as a whole. Admittedly, there is a certain tendency towards cynicism and withdrawal, arising from Canadians' past experiences with their governments and with the system as a whole. The prevalence of such attitudes demonstrates that it is no longer sufficient for government to make vague statements about its intention to consult with citizens on policy matters. Concrete action to create effective consultative mechanisms is needed and needed now.

Such action should commence with a careful consideration of the Council's report. In fact, the Council believes that if its report is to serve any useful purpose, government must seriously study the implications of the Council's findings and recommendations. More important, government must act on these recommendations and carry forward the work which this Council lacked the time to complete. There is a vital need, too, for a new attitude towards voluntary action to emerge

within government and be reflected in its policies affecting voluntary action. In fact, during its consideration of this report, the government should consult effectively and with all segments of the voluntary community. Too often in the past, the follow-up to an endeavour such as the Council's has been non-existent, ineffective or half-hearted.

The Council believes that its report should be regarded as only one aspect of a much farther-ranging analysis of Canadian society and politics in which all Canadians and governments should participate. There is at the present time a need to question, analyze, reassess and perhaps modify the roles of government, business, and labour, and their relationships to other modes of human activity in Canada. Already, this process is beginning.

The Council discovered that volunteers are even now prepared to reassess their activities and explore better ways to improve the quality of Canadian life. In this task, it is essential that they collaborate with each other, established institutions and government. All of Canada's human resources are needed in a time when the realization is dawning that resources are not inexhaustible and that hard times may be ahead. The Council's analysis of the conditions and climate for voluntary action is important because to accept this analysis is to recognize that there is a desperate need for two-way communication in the relationship between government and the voluntary community.

The lack of such communication with all levels of Canadian society may well be one factor contributing to the present crisis of national unity. Certainly, it has contributed to the present climate of divisive competition between different regional, cultural and linguistic groups within Canada. A fundamental expression of this diversity is voluntary action. In an environment of concern and support by government, voluntary action could ensure that the diversity of Canadian

society is an enriching rather than a fragmenting force. Thus, government should strengthen rather than diminish its support for voluntary action. The problems of this country cannot be solved if people cannot utilize their own tools and resources, cannot participate in decisions from time to time through their own voluntary associations. Government can provide such support through specific programs -- such as those flowing from International Women's Year or the present concern with national unity. However, such programs should not supplant but complement and enhance the activities of existing voluntary associations. Government should not create counter-associations to serve its own interests. Rather, it should let the people confront important issues with their own initiatives and resources and through their own voluntary associations.

Indeed, the people involved in voluntary action constitute a vital, multi-purpose human resource. For the good of Canada, it is essential that government explore the best means of fully actualizing this resource. The time for change is now.

Annex AMembers of the National Advisory Council
on Voluntary Action

Raynell Andreychuk Chairman (1975-77)	Regina, Saskatchewan
Alan Thomas Chairman (1974-75)	Toronto, Ontario
Gérard Lévesque Vice-Chairman (1975-77)	Ottawa, Ontario
Madeleine Joubert Vice-Chairman (1974-75)	Lévis, Québec
Micheline Bélanger	Winnipeg, Manitoba
Charles Barber ¹	Victoria, British Columbia
Peter deMarsh	Bathurst, New Brunswick
Chris Fairbrother	Ladysmith, British Columbia
Melvin French	Halifax, Nova Scotia
Françoise Giroux	Vanier, Québec
Marjorie Hartling	Ottawa, Ontario
Shirley Kossman	Montréal, Québec
Robert Racette	Rougemont, Québec
Fred Scott ²	St. John's, Newfoundland
Don Rickerd	Toronto, Ontario

Secretariat

Raymond Doyle Executive Director	Ottawa, Ontario
Betty Weinstein Assistant Director	Ottawa, Ontario

¹ Resigned January, 1976² Deceased May, 1975

Annex B

List of Background Studies
and Other Materials

BACKGROUND STUDIES AND PAPERS

Walter Baker

Education, Training and Development in Government/Voluntary
Sector Relationships.

André Beaudoin

L'action volontaire et la société québécoise du XXI^{ème} siècle
(une exploration des relations entre l'action volontaire et
les phénomènes d'importance majeure au Québec).

Henry Cooperstock

Relations Between Local Voluntary Organizations and Federal
Government Departments and Agencies.

Frederick Elkin

National Voluntary Associations in Canada.

L.J. and M.E. Gallagher

Tax and Voluntarism.

Oli Hawrylyshyn

The Economic Nature and Value of Volunteer Activity in Canada.

Blaise Lefebvre

Les organismes d'action volontaire francophones canadiens
et leurs relations avec le gouvernement fédéral.

R.D. Hood, S.A. Martin and L.S. Osberg

Economic Determinants of Charitable Donations in Canada.

Colin May

A Summary and Cursory Analysis of Federal Funding Programs
Available to Voluntary Organizations.

Daniel Morin

Points de repère: la presse et le secteur bénévole.
Regard sur la situation des bureaux de bénévoles au Canada.
Formation des bénévoles dans les collèges communautaires
et les CEGEPs.

Ken Rubin

Wanted: A Citizen Based Public Interest Research Policy.
Interviews on Voluntary Sector Research.
Guide to Voluntary Research: A preliminary review of
selected source material.

W.M. Zimmerman

Renewal for Voluntary Organizations.

OTHER MATERIALS

Ruben F.W. Nelson

Financial Assistance to Business.
Analysis of English letters sent to the N.A.C.V.A.

Lucille Poland

Towards a Distinction Between "Service" Group and "Advocacy"
Group.

Judyth Rekaï

Bibliography: Taxation of Charities.
Compendium of Tax Exemptions.

A N N E X C

Appendices to Chapter 11

3. MEMBERSHIP
- The parties hereto shall be the members of the Association provided that they may admit to membership additional persons who meet

such requirements as the members may from time to time establish.

4. OFFICERS OF THE ASSOCIATION

There shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer and such other officers as the members may determine from time to time. One person may hold more than one office. Unless otherwise agreed upon by two-thirds of the members, the term of office of any officer shall be one year or until a successor officer is elected.

5. DUTIES OF OFFICERS

(i) President. The President shall, when present, preside at all meetings of the members of the Association and he shall be charged with the general management and supervision of the affairs of the Association. The President and Secretary or other officer appointed by the members for that purpose shall sign any documentation on behalf of the Association. During the absence or inability of the President, his duties and powers may be exercised by a Vice-President.

(ii) Secretary. The Secretary shall maintain records of all acts and minutes of all proceedings and books of the Association. He shall give all notices required to be given to members. He shall be responsible for all papers, correspondence, contracts and other documents belonging to the Association and he shall perform such other duties as may from time to time be determined by the members. In particular, the Secretary shall maintain an up-to-date list of members and shall ensure that there is currently on file at the Association's office the most current information circular from Revenue Canada on the subject of registered Canadian charitable organizations.

(iii) Treasurer. The Treasurer shall keep full and current records and books of account, including a duplicate of each receipt issued for donations received and shall deposit all moneys or other

valuable effects in the name and to the credit of the Association in such bank or banks as may from time to time be designated by the members. He shall disburse the funds of the Association under the direction of the members taking proper vouchers therefore and shall render to the members a regular accounting of all his transactions as Treasurer and of the financial position of the Association. He shall, in particular, maintain such records and receipts as are required under the Income Tax Act (Canada) and the regulations thereunder for registered charitable organizations.

6. MEETINGS

Meetings of members shall be held at such place in the _____ of _____ and on such day and at such time as the President or any two other officers or any _____ members shall determine. The Notice of any meeting shall be in writing and shall be sent by ordinary mail at least ten days before the date appointed for the meeting provided that Notice of any meeting may be waived by agreement of two-thirds of the members. A quorum for the transaction of business at any meeting of members shall consist of not less than _____ members. Each member present at any meeting shall be entitled to one vote and a majority vote shall decide any issue.

7. BANKING

All cheques, bills of exchange and other orders for the payment of money and all documents required by the Association's banker shall be signed by the President or Vice-President and the Secretary or the Treasurer.

8. DISSOLUTION

Unless a specific alternative date of dissolution is agreed to by two-thirds of the members, the Association shall be dissolved on or before the _____ day of _____ and any funds or assets then on hand not applied or distributed for the objects of the Association

shall be distributed to one or more organizations who are qualified donees as defined in the Income Tax Act (Canada) and the regulations thereunder as proper recipients of charitable donations from registered charitable organizations.

IN WITNESS WHEREOF the parties hereto have hereunto set
their hands and seals this day of 19 .

SIGNED, SEALED AND DELIVERED)
In the Presence of)
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Appendix C-2

Suggested Agreement for Unincorporated Entity
Carrying on for Indeterminate Time

MEMORANDUM OF AGREEMENT made this day of 19 .

B E T W E E N :

(hereinafter called the "Parties")

WHEREAS the Parties desire to establish an Association for the charitable purposes and objects hereinafter specified;

NOW THEREFORE IT IS AGREED that the parties do constitute themselves as an Association in accordance with the terms and provisions hereinafter set forth, namely:

1. NAME
The Association shall be known as the " ".

2. OBJECTS
The purposes and objects of the Association shall be

provided that the Association shall be carried on without the purpose of gain for its members and all profits or other accretions to the Association shall be used in promoting its objects.

3. BOARD OF DIRECTORS
The affairs of the Association shall be managed by a Board

of Directors, each of whom at the time of election or within ten days thereafter and throughout his term of office shall be a member of the Association. Each Director shall be elected to hold office until the first Annual Meeting after he has been elected or until his successor shall have been duly elected and qualified. The Parties shall be the first Directors. The whole Board shall be retired at each Annual Meeting, but shall be eligible for re-election if otherwise qualified. Vacancies on the Board of Directors, however caused, may, so long as a quorum of Directors remains in office, be filled by the Directors from among the members of the Association, if they see fit to do so, otherwise such vacancies shall be filled at the next Annual Meeting at which Directors for the ensuing year are elected.

4. QUORUM AND MEETINGS OF DIRECTORS

A majority of the Directors shall form a quorum for the transaction of business. The Board of Directors may hold its meetings at such place and time as it shall determine. No formal notice of any meeting shall be required if all of the Directors are present or if those absent signify their consent to the meeting's being held in their absence. Meetings may be formally called by the President or the Vice-President or by the Secretary on direction of the President or Vice-President or by the Secretary on the written direction of two Directors. Formal notice shall be in writing and shall be sent by ordinary mail at least ten days prior to the date specified for the meeting or may be delivered. Questions arising at any meeting of Directors shall be decided by a majority vote of those present.

5. POWERS OF DIRECTORS

The Directors of the Association may administer the affairs of the Association in all things and make or cause to be made for the Association in its name any kind of contract which the Association may lawfully enter into and generally may exercise all such powers and do all such other acts and things as the Association is authorized to exercise and do.

6. OFFICERS OF THE ASSOCIATION

There shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer and such other officers as the Board of Directors may determine from time to time. One person may hold more than one office. The Officers shall be elected by the Board of Directors at its first meeting after the Annual General Meeting of members.

7. DUTIES OF OFFICERS

(i) President. The President shall, when present, preside at all meetings of the members of the Association and of the Board of Directors and he shall be charged with the general management and supervision of the affairs of the Association and of the Board of Directors. The President and Secretary or other officer appointed by the Board for that purpose may sign any documentation on behalf of the Association. During the absence or inability of the President, his duties and powers may be exercised by a Vice-President.

(ii) Secretary. The Secretary shall maintain records of all acts and minutes of all proceedings and books of the Association. He shall give all notices required to be given to members and to Directors. He shall be responsible for all papers, correspondence, contracts and other documents belonging to the Association and he shall perform such other duties as may from time to time be determined by the Board of Directors. In particular, the Secretary shall maintain an up-to-date list of members and shall ensure that there is currently on file at the Association's office the most current Information Circular from Revenue Canada on the subject of registered Canadian charitable organizations.

(iii) Treasurer. The Treasurer shall keep full and current records and books of account, including a duplicate of each receipt issued for donations received and shall deposit all moneys or other

valuable effects in the name of and to the credit of the Association in such Bank or Banks as may from time to time be designated by the Board of Directors. He shall disburse the funds of the Association under the direction of the Board of Directors taking proper vouchers therefore and shall render to the Board of Directors a regular accounting of all his transactions as Treasurer and of the financial position of the Association. He shall, in particular, maintain such records and receipts as are required under the Income Tax Act (Canada) and the regulations thereunder for registered charitable organizations.

8. MEMBERSHIP

Membership shall be open to persons who meet the requirements as shall from time to time be established by the Board of Directors.

9. ANNUAL AND OTHER MEETINGS OF MEMBERS

The annual or any other general meeting of members shall be held at such place as the Board of Directors may determine and on such day as the Directors shall appoint. At every annual meeting, in addition to any other business that may be transacted, a report of the Directors, the financial statement and the report of the auditors shall be presented and the Board of Directors shall be elected and the auditors shall be appointed for the ensuing year and the remuneration of the auditors shall be fixed. The Board of Directors or the President or Vice-President shall have the power to call a general meeting of the members of the Association at any time. The Notice of any meeting shall be in writing and shall be sent by ordinary mail at least ten days before the date appointed for the meeting provided that notice of any meeting may be waived if agreed to in writing by a majority of the members. A quorum for the transaction of business for any meeting of members shall consist of not less than members. Each member present at any meeting shall be entitled to one vote and a majority vote shall decide any issue.

10. FINANCIAL YEAR

Unless otherwise ordered by the Board of Directors the fiscal year of the Association shall terminate on the day of in each year.

11. BANKING

All cheques, bills of exchange and other orders for the payment of moneys and all documents required by the Association's bankers shall be signed by such officer or officers, agent or agents of the Association as the Board of Directors shall, by resolution, determine from time to time.

12. DISSOLUTION

The Association shall be dissolved upon a two-thirds vote of the members present at a meeting called for that purpose and upon dissolution all assets of the Association remaining after payment of all liabilities shall be distributed to one or more organizations who are qualified donees as defined in the Income Tax Act (Canada) and the regulations thereunder as proper recipients of charitable donations from registered charitable organizations.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this day of 19 .

SIGNED, SEALED AND DELIVERED
In the Presence of

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APPENDIX C-3

AGENDA FOR ANNUAL GENERAL MEETING OF
A CHARITABLE ORGANIZATION

1. Approve Minutes of previous meeting.
2. Elect Officers.
3. Elect Committee members, if any.
4. Appoint Auditors.
5. Approve Financial Statement.
6. Approve Revenue Canada Information Return and Public Information Return for filing.
7. Review most recent Revenue Canada Information Circular on Registered Charitable Organizations to ensure that the organization is being managed and records maintained in accordance with the current requirements of the Income Tax Act and regulations thereunder.

APPENDIX C-4

Suggested Agreement for
Establishment of a Trust

AGREEMENT made the day of 19 .

B E T W E E N :

(hereinafter called the "Settlor")
- and - OF THE FIRST PART

(hereinafter called the "Trustee")
OF THE SECOND PART

WHEREAS the Settlor wishes to establish a Trust for charitable
objects as hereinafter more particularly specified, to be known as the
" Charitable Trust";

AND WHEREAS the Trustees have agreed to stand seized and
possessed of the Trust Funds upon the terms and conditions hereinafter
provided;

NOW THEREFORE THIS INDENTURE WITNESSETH THAT in consideration
of the foregoing IT IS AGREED AS FOLLOWS:

1. The Trustees acknowledge receipt of the sum of

from the Settlor which, together with any further sums or accretions
or additions thereto which they may receive from time to time shall
constitute the Trust Fund.

2. The charitable objects to be supported out of the Trust Fund shall be

provided that the Trust will be managed and operated without the purpose of gain to the Settlor or the Trustees and all profits or other accretions to the Trust shall be used in promoting its objects.

3. The Trustees shall use, apply, give, devote, accumulate or distribute, from time to time, all or part of the Trust Fund and the income therefrom for charitable purposes within Canada, including particularly those described in the preceding paragraph, by such means as they may from time to time consider appropriate.

4. The Trustees may borrow money to meet current operating expenses including, without limitation, salaries and rents as they consider it appropriate and they may mortgage, pledge or hypothecate any part of the Trust Fund as security for any such loan and no person or corporation from whom any amount is borrowed shall be obliged in any way to see the applications of any moneys so loaned to the Trustees.

5. There shall at all times be at least _____ and not more than _____ Trustees. Additional Trustees may be appointed from time to time as deemed necessary or advisable by an appointment in writing, executed by the Trustees as of the date of the appointment.

6. A Trustee may retire upon giving _____ days written notice to the other Trustees.

7. The Trustees may, for the purpose of the Trust, operate and maintain a bank account or accounts with any Bank or Trust Company. Any cheques drawn upon the account must be endorsed by a majority of the Trustees.

8. The Trustees shall invest and keep invested the Trust Fund in such investments or property of whatever nature as the Trustees, in their sole discretion, shall think fit and the Trustees shall not be limited to investments authorized by law for Trustees.

OR¹

8. The Trustees shall invest and keep invested the Trust Fund in such investments as are qualified investments for a private foundation in accordance with the provisions of the Income Tax Act (Canada) and the regulations thereunder.

9. If at any time the Trustees are unable to agree regarding any matter in connection with the Trust, or if any Trustees are not available for participating in a decision, then a decision of a majority of the Trustees shall be final and binding upon all Trustees.

10. The Trustees shall keep such books, records and accounts as are necessary and appropriate to document the assets and transactions of the Trust and they shall, in particular, meet any requirements of the Income Tax Act (Canada) and the regulations thereunder for registered Charitable Organizations.

¹ A private foundation can invest only in certain "qualified investments" as set out in the Income Tax Act (Canada). A trust will be considered to be a private foundation if 50% of the Trustees are not at arm's length or if more than 75% of the trust fund has been contributed or paid in by one person or by a group of persons who are not at arm's length. Related persons are not at arm's length. A private foundation may, in certain circumstances, apply to the Minister of Revenue Canada to be designated a public foundation which is not restricted to qualified investments.

11. In the event that the Trustees should consider it appropriate to wind up the Trust without distributing or applying the entire Trust Fund for the charitable purposes specified in clauses number 2 and 3 preceding, then the Trustees shall distribute the Trust Fund then remaining to one or more organizations who are qualified donees as defined in the Income Tax Act (Canada) and the regulations thereunder as proper recipients of charitable donations from registered charitable organizations.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seal this day of 19 .

SIGNED, SEALED AND DELIVERED)
in the presence of)
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APPENDIX C-5

Provisions of Corporations Act (Ontario)

PART III

CORPORATIONS WITHOUT SHARE CAPITAL

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|------|---|-------------------------------|
| 100. | This Part, except where it is otherwise expressly provided, applies, | Application |
| | <ul style="list-style-type: none"> (a) to every corporation incorporated by or under a general or special Act of the Parliament of the late Province of Upper Canada; (b) to every corporation incorporated by or under a general or special Act of the Parliament of the late Province of Canada that has its head office and carries on business in Ontario and that was incorporated with objects to which the authority of the Legislature extends; and (c) to every corporation incorporated by or under a general or special Act of the Legislature; | |
| | but this Part does not apply to a corporation incorporated for the construction and working of a railway, incline railway or street railway. R.S.O. 1960, c.71, s. 100. | |
| 101. | A corporation may be incorporated to which Part V or Part VI applies or that has objects that are of a patriotic, religious, philanthropic, charitable, educational, agricultural, scientific, artistic, social, professional, fraternal, sporting or athletic nature or that are of any other useful nature. R.S.O. 1960, c. 71, s. 101. | Nature of corporations |
| 102. | --(1) The applicants for the incorporation of a corporation shall file with the Lieutenant Governor an application showing: | Application for incorporation |

1. The names in full, the place of residence and the calling of each of the applicants.
 2. The name of the corporation to be incorporated.
 3. The objects for which the corporation is to be incorporated.
 4. The place in Ontario where the head office of the corporation is to be situated.
 5. The names of the applicants who are to be the first directors of the corporation.
 6. Any other matters that the applicants desire to have embodied in the letters patent.
- (2) The applicants may ask to have embodied in the letters patent any provision that may be made the subject of a by-law of the corporation. R.S.O. 1960, c. 71, s. 102. Idem
103. The letters patent, supplementary letters patent or by-laws of a corporation may provide for more than one class of membership and in that case shall set forth the designation of and the terms and conditions attaching to each class. R.S.O. 1960, c. 71, s. 103. Classes of Membership
104. Upon incorporation of a corporation, each applicant becomes a member thereof. R.S.O. 1960, c. 71, s. 104. Applicants become members
105. A member shall not, as such, be held answerable or responsible for any act, default, obligation or liability of the corporation or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the corporation. R.S.O. 1960, c. 71, s. 105. Members not liable
106. Unless the letters patent, supplementary letters patent or by-laws of a corporation otherwise provide, there is no limit on the number of members in the corporation. R.S.O. 1960, c. 71, s. 106. Number of members

107. --(1) Subject to subsection 2, persons may be admitted to membership in a corporation by resolution of the board of directors, but the letters patent, supplementary letters patent or by-laws may provide that such resolution is not effective until it has been confirmed by the members in general meeting. Admission to membership
- (2) The letters patent, supplementary letters patent or by-laws of a corporation may provide for the admission of members ex officio. Idem
R.S.O. 1960, c. 71, s. 107.
108. Each member of each class of members of a corporation has one vote, unless the letters patent, supplementary letters patent or by-laws of the corporation provide that each such member has more than one vote or has no vote. Voting powers of members
R.S.O. 1960, c. 71, s. 108.
109. --(1) A corporation, except a corporation to which Part V or VI applies, shall be carried on without the purpose of gain for its members and any profits or other accretions to the corporation shall be used in promoting its objects and the letters patent shall so provide, and, where a company is converted into a corporation, the supplementary letters patent shall so provide. Not to be carried on for gain
110. Subject to section 299, the letters patent, supplementary letters patent or by-laws of a corporation may provide for persons becoming directors ex officio in lieu of election. Directors ex officio
R.S.O. 1960, c. 71, s. 110.
111. --(1) Unless the letters patent or supplementary letters patent otherwise provide, the interest of a member in a corporation is not transferable and lapses and ceases to exist upon his death or when he ceases to be a member by resignation or otherwise in accordance with the by-laws of the corporation. Memberships not transferable, termination
- (2) Where the letters patent or supplementary letters patent provide that the interest of a member in the corporation is transferable, the by-laws shall not restrict the transfer of such interest. Where transferable

- (3) This section does not apply to corporations to which Part V applies. R.S.O. 1960, c. 71, s. 111. Co-ops
112. --(1) The directors of a corporation may pass by-laws not contrary to this Act or to the letters patent or supplementary letters patent to regulate, By-laws
- (a) the admission of persons and unincorporated associations as members and as ex officio members and the qualification of and the conditions of membership;
 - (b) the fees and dues of members;
 - (c) the issue of membership cards and certificates;
 - (d) the suspension and termination of memberships by the corporation and by the member;
 - (e) the transfer of memberships;
 - (f) the qualification of and the remuneration of the directors and the ex officio directors, if any;
 - (g) the time for and the manner of election of directors;
 - (h) the appointment, remuneration, functions, duties and removal of agents, officers and employees of the corporation and the security, if any, to be given by them to it;
 - (i) the time and place and the notice to be given for the holding of meetings of the members and of the board of directors, the quorum at meetings of members, the requirements as to proxies, and the procedure in all things at members' meetings and at meetings of the board of directors;
 - (j) the conduct in all other particulars of the affairs of the corporation.
- (2) A by-law passed under subsection 1 and a repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the Confirmation

members duly called for that purpose, is effective only until the next annual meeting of the members unless confirmed thereat, and, in default of confirmation thereat, ceases to have effect at and from that time, and in that case no new by-law of the same or like substance has any effect until confirmed at a general meeting of the members.

--(3) The members may at the general meeting or the annual meeting mentioned in subsection 2 confirm, reject, amend or otherwise deal with any by-law passed by the directors and submitted to the meeting for confirmation, but no act done or right acquired under any such by-law is prejudicially affected by any such rejection, amendment or other dealing. R.S.O. 1960, c. 71, s. 112. Rejection

113. --(1) The directors of a corporation may pass by-laws providing for, By-laws
respecting
delegates
- (a) the division of its members into groups, either territorially or on the basis of common interest;
 - (b) the election of some or all of its directors,
 - (i) by such groups on the basis of the number of members in each group, or
 - (ii) for the groups in a defined geographical area, by the delegates of such groups meeting together;
 - (c) the election of delegates and alternative delegates to represent each group on the basis of the number of members in each group;
 - (d) the number and method of electing delegates;
 - (e) the holding of meetings of delegates;
 - (f) the authority of delegates at meetings or providing that a meeting of delegates shall for all purposes be deemed to be and to have all the powers of a meeting of the members;
 - (g) the holding of meetings of members or delegates territorially or on the basis of common interest.

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|---|------------------------------|
| --(2) No by-law passed under subsection 1 is effective until it has been confirmed by at least two-thirds of the votes cast at a general meeting of the members duly called for considering the by-law. | Confirmation |
| --(3) A delegate has only one vote and shall not vote by proxy. | Voting |
| --(4) No person shall be elected a delegate who is not a member of the corporation. | Qualification of delegates |
| --(5) No such by-law shall prohibit members from attending meetings of delegates and participating in the discussions at such meetings.
R.S.O. 1960, c. 71, s. 113. | Saving |
| 114. --(1) A corporation may apply to the Lieutenant Governor for the issue of supplementary letters patent, | Supplementary letters patent |
| (a) extending, limiting or otherwise varying its objects; | |
| (b) changing its name; | |
| (c) varying any provision in its letters patent or prior supplementary letters patent; | |
| (d) providing for any matter or thing in respect of which provision may be made in letters patent under this Act; | |
| (e) converting it into a company; | |
| (f) converting it into a corporation, with or without share capital, subject to Part V; | |
| (g) making it not subject to Part V. | |
| --(2) An application under clauses <u>a</u> to <u>d</u> of subsection 1 shall be authorized by a special resolution. | Authorization |
| --(3) An application under clauses <u>e</u> to <u>g</u> of subsection 1 shall be authorized by resolution of the board of directors and confirmed in writing, | Idem |
| (a) by 100 per cent of the members; or | |

(b) by at least 95 per cent of the members,

but, in the case of confirmation under clause b, the application shall not be made until twenty-one days notice of the application has been given by sending the notice to each member to his last address as shown on the books of the corporation and only if at the expiration of the twenty-one days none of the members has dissented in writing to the corporation.

--(4) If the application is under clause e, f, or g of subsection 1 and the corporation is to become a company, the application shall set forth the authorized capital, the classes of shares, if any, into which it is to be divided, the number of shares of each class, the par value of each share or, where the shares are to be without par value, the consideration, if any, exceeding which such share or the aggregate consideration, if any, exceeding which all the shares of each class may not be issued, and, where there are to be preference shares, the preferences, rights, conditions, restrictions, limitations or prohibitions attaching to them or each class of them, and the terms and conditions on which the members will become shareholders.

Contents of
application
for conversion
into company

--(5) An application under subsection 1 may be made only within six months after the resolution has been confirmed by the members.

Time for
application

--(6) This section does not apply to a corporation incorporated by special Act, except that a corporation incorporated by special Act may apply under this section for the issue of supplementary letters patent changing its name. R.S.O. 1960, c. 71, s. 114.

Special Act
Corporations
excepted

115. --(1) A corporation may pass by-laws providing that, upon its dissolution and after the payment of all debts and liabilities, its remaining property or part thereof shall be distributed or disposed of to charitable organizations or to organizations whose objects are beneficial to the community.

Disposition of
property on
dissolution

--(2) Such a by-law is not effective until it has been confirmed by two-thirds of the votes cast at a general meeting of the members duly called for that purpose.

Confirmation

- (3) Notice of a by-law passed under this section shall be filed with the Provincial Secretary and published in "The Ontario Gazette" by the corporation within fourteen days after it has been confirmed. Filing and publication of notice
- (4) Every corporation that fails to comply with subsection 3 is guilty of an offence and on summary conviction is liable to a fine of not more than \$200, and every director or officer of the corporation who authorizes, permits or acquiesces in such failure is guilty of an offence and on summary conviction is liable to a like fine. Offence
- (5) In the absence of such by-law and upon the dissolution of the corporation, the whole of its remaining property shall be distributed equally among the members or, if the letters patent, supplementary letters patent or by-laws so provide, among the members of a class or classes of members. Where no by-law
R.S.O. 1960, c. 71, s. 115.
116. --(1) Section 21a, clauses a to p, s, u, and v of subsection 1 and subsection 2 of section 22, sections 58 to 60, 66, 68 to 70, 72 to 74, 75a, 79 and 80, subsection 1 of section 81, section 82, clauses a, b and c of subsection 1 and subsection 3 of section 83 and section 96 apply *mutatis mutandis* to corporations to which this Part applies, and in so applying them the words "company" and "private company" mean "corporation" and the word "shareholder" means "member". Application of Part II provisions to Part III corporations
1966. c. 28, s. 14(1).
- (1a) Notwithstanding subsection 1, in the case of a corporation to which this Part applies the objects of which are exclusively for charitable purposes, it is sufficient notice of any meeting of the members of the corporation if notice is given by publication at least once a week for two consecutive weeks next preceding the meeting in a newspaper or newspapers circulated in the municipality or municipalities in which the majority of the members of the corporation reside as shown by their addresses on the books of the corporation. 1964, c. 10, s.3(2). Charitable corporation
- (2) Subsection 1 of section 22, section 69, clauses a, b and c of subsection 1 and subsections Co-ops

2 and 3 of section 83, subsection 1 of section 84, except clause a thereof, subsection 2 of section 84 and section 85 to 88, 91 and 92 apply *mutatis mutandis* to corporations to which Part V applies, and in so applying them the words "company" and "private company" mean "corporation" and the word "shareholder" means "member".

--(3) Clauses a, b and c of subsection 1 and subsections 2 and 3 of section 83, subsection 1 of section 84, except clause a thereof, subsection 2 of section 84, sections 85, 86, 91 and 92 and subsections 1 and 3 of section 93 apply *mutatis mutandis* to corporations to which Part VI applies, and in so applying them the words "company" and "private company" mean "corporation" and the word "shareholder" means "member". 1966, c. 28, s. 14(2). Insurers

APPENDIX C-6

Suggested By-Laws for Charitable Corporation
Incorporated under Ontario Act

A by-law relating generally to the transaction of the affairs of:

BE IT ENACTED as a by-law of
as follows:

1. HEAD OFFICE

The Head Office of the Corporation shall be in the City of Toronto, in the Province of Ontario, and at such place therein as the directors may from time to time determine.

2. SEAL

The seal, an impression whereof is stamped in the margin hereof, shall be the corporate seal of the Corporation.

3. BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by a board of directors of whom shall be directors ex-officio as provided in the Corporation's letters patent and shall be elected in accordance with the provisions of these by-laws. Each elected director at the time of his election or within 10 days thereafter and throughout his term of office shall be a member of the Corporation and shall be elected by the members to hold office until the first annual meeting after his election or until his successor is duly elected and qualified. The election may be by a show of hands unless a ballot be demanded by any member. The members of the Corporation may, by resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such resolution has been given, remove any elected director before the expiration of his term of office,

and may, by a majority of the votes cast at that meeting, elect any person in his stead for the remainder of his term.

4. QUALIFICATIONS, BOARD OF DIRECTORS

Every director shall be twenty-one or more years of age, and, except for the directors ex-officio, shall be a member of the Corporation.

5. VACANCIES, BOARD OF DIRECTORS

Vacancies in the office of elected director, however caused, may, so long as a quorum of directors remain in office, be filled by the directors from among the qualified members of the Corporation.

6. QUORUM AND MEETINGS, BOARD OF DIRECTORS

A majority of the directors shall form a quorum for the transaction of business. Except as otherwise required by law, the board of directors may hold its meetings at such place or places as it may from time to time determine. No formal notice of any such meeting shall be necessary if all the directors are present, or if those absent have signified their consent to the meeting being held in their absence. Directors' meetings may be formally called by the President or Vice-President or by the Secretary on direction of the President or Vice-President, or by the Secretary on direction in writing of two directors. Notice of such meetings shall be delivered, telephoned or telegraphed to each director not less than one day before the meeting is to take place or shall be mailed to each director not less than two days before the meeting is to take place. The statutory declaration of the Secretary or President that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meeting no notice need be sent. A directors' meeting may also be held, without notice, immediately following the annual meeting of the Corporation. The directors may consider or transact any business either special or

general at any meeting of the board.

7. ERRORS IN NOTICE, BOARD OF DIRECTORS

No error or omission in giving such notice for a meeting of directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any director may at any time waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

8. VOTING, BOARD OF DIRECTORS

Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the Chairman, in addition to his original vote, shall have a second or casting vote. All votes at any such meeting shall be taken by ballot if so demanded by any director present, but if no demand be made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chairman that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. In the absence of the President his duties may be performed by the Vice-President or such other director as the board may from time to time appoint for the purpose.

9. POWERS

The directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.

Without in any way derogating from the foregoing, the directors are expressly empowered, from time to time, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of securities, lands, buildings and other property, movable or immovable, real or personal, or any right or interest therein owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.

10. REMUNERATION OF DIRECTORS AND MEMBERS

The Corporation shall be carried on without the purpose of gain for its members and any profits or other accretions to the Corporation shall be used in promoting its objects, provided, however, that a director shall not be prohibited from receiving reasonable remuneration for his expenses to the Corporation as a director, and provided further that a director or member shall not be prohibited from receiving reasonable remuneration and expenses for his services to the Corporation in any other capacity.

11. OFFICERS OF CORPORATION

There shall be a President, a Vice-President, a Secretary and a Treasurer or in lieu of a Secretary and Treasurer, a Secretary-Treasurer and such other officers as the board of directors may determine by by-law from time to time. One person may hold more than one office except the offices of President and Vice-President. The President and Vice-President shall be elected by the board of directors from among their number at the first meeting of the board after the annual election of such board of directors, provided that in default of such election the then incumbents, being members of the board, shall hold office until their successors are elected. The other officers of the Corporation need not be members of the board and in the absence of written agreement to the contrary, the employment of all officers shall be settled from time to time by the board.

12. DUTIES OF PRESIDENT AND VICE-PRESIDENT

The President shall, when present, preside at all meetings of the members of the Corporation and of the board of directors. The President shall also be charged with the general management and supervision of the affairs and operations of the Corporation. The President with the Secretary or other officer appointed by the board for the purpose shall sign all by-laws and membership certificates. During the absence or inability of the President, his duties and powers may be exercised by the Vice-President, and if the Vice-President, or such other director as the board may from time to time appoint for the purpose, exercises any such duty or power, the absence or inability of the President shall be presumed with reference thereto.

13. DUTIES OF SECRETARY

The Secretary shall be ex officio clerk of the board of directors. He shall attend all meetings of the board of directors and record all facts and minutes of all proceedings in the books kept for that purpose. He shall give all notices required to be given to members and to directors. He shall be the custodian of the seal of the Corporation and of all books, papers, records, correspondence, contracts and other documents belonging to the Corporation which he shall deliver up only when authorized by a resolution of the board of directors to do so and to such person or persons as may be named in the resolution, and he shall perform such other duties as may from time to time be determined by the board of directors.

14. DUTIES OF TREASURER

The Treasurer, or person performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in such bank or banks as may from time to time be designated by the board of directors. He shall disburse the

funds of the Corporation under the direction of the board of directors, taking proper vouchers therefore and shall render to the board of directors at the regular meetings thereof or whenever required of him, an account of all his transactions as Treasurer, and of the financial position of the Corporation. He shall also perform such other duties as may from time to time be determined by the board of directors.

15. DUTIES OF OTHER OFFICERS

The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board of directors requires of them.

16. EXECUTION OF DOCUMENTS

Deeds, transfers, licences, contracts and engagements on behalf of the Corporation shall be signed by either the President or Vice-President and by the Secretary or an Assistant Secretary, and the Secretary or Assistant Secretary shall affix the seal of the Corporation to such instruments as require the same.

Contracts in the ordinary course of the Corporation's operations may be entered into on behalf of the Corporation by the President, Vice-President, Treasurer or by any person authorized by the board.

The President, Vice-President, the directors, Secretary or Treasurer, or any one of them, or any person or persons from time to time designated by the board of directors, may transfer any and all securities from time to time standing in the name of the Corporation in its individual or any other capacity or as trustee or otherwise and may accept in the name and on behalf of the Corporation transfers of securities from time to time transferred to the Corporation, and may affix the corporate seal to any such transfers or acceptance of transfers, and may make, execute and deliver under the corporate seal

any and all instruments in writing necessary or proper for such purposes, including the appointment of an attorney or attorneys to make or accept transfers of securities on the books of any company or corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the board of directors may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Corporation may or shall be executed.

17. BOOKS AND RECORDS

The directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

18. MEMBERSHIP

The membership shall consist of the applicants for the incorporation of the Corporation and such other individuals and such corporations, partnerships and other legal entities as are admitted as members by the board of directors.

Each member in good standing shall be entitled to one vote on each question arising at any specific or general meeting of the members. Corporations, partnerships and other legal entities may vote through a duly authorized proxy.

Each member shall promptly be informed by the Secretary of his admission as a member.

19. DUES

There shall be no dues or fees payable by members and members shall not, as such, be held answerable or responsible for any act, default, obligation or liability of the Corporation or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the Corporation.

20. ANNUAL AND OTHER MEETINGS OF MEMBERS

The annual or any other general meeting of the members shall be held at the head office of the Corporation or elsewhere in Ontario as the board of directors may determine and on such day as the said directors shall appoint.

At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and a board of directors elected and auditors appointed for the ensuing year and the remuneration of the auditors shall be fixed. The members may consider and transact any business either special or general without any notice thereof at any meeting of the members. The board of directors of the President or Vice-President shall have power to call at any time a general meeting of the members of the Corporation. No public notice nor advertisement of members' meetings, annual or general, shall be required, but notice of the time and place of every such meeting shall be given to each member by sending the notice by prepaid mail or telegraph, ten days before the time fixed for the holding of such meeting; provided that any meetings of members may be held at any time and place without such notice if all the members of the Corporation are present thereat or represented by proxy duly appointed, and at such meeting any business may be transacted which the Corporation at annual or general meetings may transact.

21. ERROR OR OMISSION IN NOTICE

No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of any member, director or officer shall be his last address recorded on the books of the Corporation.

22. ADJOURNMENTS

Any meetings of the Corporation or of the directors may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.

23. QUORUM OF MEMBERS

A quorum for the transaction of business at any meeting of members shall consist of not less than three members present in person or represented by proxy; provided that in no case can any meeting be held unless there are two members present in person.

24. VOTING OF MEMBERS

Subject to the provisions, if any, contained in the Letters Patent of the Corporation, each member of the Corporation shall at all meetings of members be entitled to one vote and he may vote by proxy. Such proxy need not himself be a member but before voting shall produce and deposit with the Secretary sufficient appointment in writing from his constituent or constituents.

At all meetings of members every question shall be decided by a majority of the votes of the members present in person or represented by proxy unless otherwise required by the by-laws of the Corporation, or by law. Every question shall be decided in the first instance by a show of hands unless a poll be demanded by any member. Upon a show of hands, every member having voting rights shall have one vote, and unless a poll be demanded a declaration by the Chairman that a resolution has been carried or not carried and an entry to that effect in the minutes of the Corporation shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution. The demand for a poll may be withdrawn, but if a poll be demanded and not withdrawn the question shall be decided by a majority of votes given by the members present in person or by proxy, and such poll shall be taken in such manner as the Chairman shall direct and the result of such poll shall be deemed the decision of the Corporation in general meeting upon the matter in question. In case of an equality of votes at any general meeting, whether upon a show of hands or at a poll, the Chairman shall be entitled to a second or casting vote.

25. FINANCIAL YEAR

Unless otherwise ordered by the board of directors, the fiscal year of the Corporation shall terminate on the day of in each year.

26. CHEQUES

All cheques, bills of exchange or other orders for the payment of money, notes or other evidences or indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the board of directors and any one of such officers or agents may alone endorse notes and drafts for collection on account of the Corporation through its bankers, and

endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation, or the same may be endorsed "for collection" or "for deposit" with the bankers of the Corporation by using the Corporation's rubber stamp for the purpose. Any one of such officers or agents so appointed may arrange, settle, balance and certify all books and accounts between the Corporation and the Corporation's bankers and may receive all paid cheques and vouchers and sign all the bank's forms or settlement of balances and release of verification slips.

27. DEPOSIT OF SECURITIES FOR SAFEKEEPING

The securities of the Corporation shall be deposited for safe-keeping with one or more bankers, trust companies or other financial institutions to be selected by the board of directors. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the Corporation signed by such officer or officers, agent or agents of the Corporation, and in such manner as shall from time to time be determined by resolution of the board of directors, and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians of the board of directors shall be fully protected in acting in accordance with the directions of the board of directors and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

28. NOTICE

Whenever under the provisions of the by-laws of the Corporation, notice is required to be given, such notice may be given either personally or telegraphed or by depositing same in a post office or a public letter-box, in a prepaid, sealed wrapper addressed to the director, officer or member at his or their address as the same appears on the books of the Corporation. A notice or other document so sent by post shall be held to be sent at the time when the same was deposited in a

post office or public letter-box as aforesaid, or if telegraphed shall be held to be sent when the same was handed to the telegraph company or its messenger. For the purpose of sending any notice the address of any member, director or officer shall be his last address as recorded on the books of the Corporation.

29. BORROWING

The directors of the Corporation may from time to time:

- (a) borrow money on the credit of the Corporation;
- (b) issue, sell or pledge securities of the Corporation;
- (c) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation including book debts and unpaid calls, rights, powers, franchises and undertaking, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation.

The word "securities" as used in this clause means bonds, debentures, debenture stock or other like liabilities of the Corporation whether constituting a charge on the property of the Corporation or not.

30. INTERPRETATION

In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number of the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

Passed by the board of directors and sealed with the corporate seal this day of 19 .

President

Secretary

APPENDIX C-7

Charitable Registration Procedure

Registration¹

20. All charities must obtain registered status before

- (a) donations to them may be allowed as deductions from income, and
- (b) they will be exempt from taxation under Part I of the Income Tax Act.

21. Branches, sections, divisions or local bodies that do not receive donations on their own behalf and merely act as collecting offices for a regional, provincial or national body do not have to be registered, but any receipt they issue for donations they collect must be issued in the name of the regional, provincial or national body on whose behalf the donations are received. The registered regional, provincial or national body will report all financial activities of such branches, sections or divisions on their information returns.

22. All other local bodies of greater organizations (including local parishes or congregations of the various religious denominations) must be registered separately.

¹ Extracts from Information Circular 77-14, Revenue Canada, Taxation, June 20, 1977, pp. 6-7. The reader is advised to consult the full circular available free of charge from the Department of National Revenue, Taxation, Ottawa. K1A 0L8.

23. One copy of the Application for Registration form T2050 (available at District Taxation Offices) is to be filed with the Department of National Revenue, Taxation at the address shown on the form. In addition to a copy of the financial statements for the last fiscal period ended prior to the date of application, the charity must submit a copy of the governing documents under which it operates, such as letters patent, memorandum of association, articles of association, charter, trust deed or constitution as well as the by-laws or their equivalent. All documents must be certified. A complete statement giving full details of their aims and objectives as well as the structure of the charity is to accompany the form. The absence of these documents or statements will delay the consideration of the application...

24. It should be noted that the name of the charity as contained in the governing document should be that entered on the Application for Registration. This is the name under which the charity will be officially registered and which must appear on all official donation receipts.

25. When it has been determined that an applicant qualifies as a "registered charity", a Notification of Registration (form T2051) will be issued bearing the name, effective date of registration, and registration number. Thereafter, any receipt issued to acknowledge a charitable donation by the "registered charity" should show the name and registration number exactly as it appears on form T2051 and should comply in all other respects with the requirements of Part XXXV of the Income Tax Regulations....If a registered charity ceases to operate, the Department must be advised and the Notification of Registration is to be returned together with a final Return of Information, financial statements and Public Information Return showing the final distribution of assets...

APPENDIX C-8

Disbursements Necessary for
Retention of Registered Status

Charitable Organization - an amount at least equal to 80 per cent¹ (relevant percentage) of the amounts for which it issued receipts (in its immediately preceding taxation year) in respect of which the donor can obtain a deduction in computing his taxable income;

Public Foundation - an amount at least equal to the greater of:

- (i) 80 per cent¹ (relevant percentage) of the amounts for which it issued charitable receipts for gifts other than those subject to a direction that the property given or substituted property therefore be held for at least ten years, in its immediately preceding taxation year, and
- (ii) 90 per cent of its income (including certain gifts) for the taxation year;

Private Foundation - an amount (referred to as its "disbursement quota") equal to the aggregate of:

- (i) the greater of:
 - (a) 5 per cent of the fair market value of the "capital properties" of the foundation calculated as of the commencement of its taxation year excluding:

(¹ subject to transitional provisions)

-- "qualified investments" which are similar to the qualified investments for deferred income and other plans under the Income Tax Act (the qualified investments are listed in Appendix D),

-- capital properties used directly by the foundation in its charitable activities or administration of the foundation, and

(b) 90 per cent of the income in the taxation year derived from capital properties on which the 5 per cent is calculated under (a),

and

(ii) 90 per cent of the amount by which the income (including certain gifts) of the foundation for the taxation year exceeds the income earned by the foundation as determined under (k) (b).

If a registered charity does not expend at least the required amount as outlined above, the Minister of National Revenue may revoke its registration.

To alleviate any hardship occasioned by the new provisions, the following transitional rules are proposed:

1. Minimum distribution (relevant percentage) of amounts for which a charitable organization or a public foundation issued charitable donation receipts is as follows:

-- 50 per cent where the immediately preceding taxation year is 1976,

- 60 per cent where the immediately preceding year is 1977,
 - 70 per cent where the immediately preceding year is 1978,
and
 - 80 per cent thereafter.
2. The distribution rule on certain capital properties owned by a private foundation will be phased in as follows:
- nil per cent for 1977 taxation years commencing in 1976,
 - 3 per cent for 1977 and 1978 taxation years commencing in 1977,
 - 4 per cent for all other 1978 taxation years, and
 - 5 per cent thereafter.

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